

Registered number: 01435461

Caddick Construction Limited  
Annual report  
for the year ended 31 August 2017

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# **Caddick Construction Limited**

## **Annual report for the year ended 31 August 2017**

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# **Caddick Construction Limited**

## **Directors and advisers**

### **Directors**

P Caddick  
A E Caddick  
P G Hirst  
K Bradley  
K R Hinchliffe  
A Murray  
A C Dobson  
I K Plowman

### **Company Secretary**

P G Hirst

### **Registered office**

Calder Grange  
Weeland Road  
Knottingley  
West Yorkshire  
WF11 8DA

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

# **Caddick Construction Limited**

## **Strategic report for the year ended 31 August 2017**

The directors present their strategic report for the year ended 31 August 2017.

### **Principal activities**

The principal activities of the company are construction and civil engineering contracting.

### **Review of business and future developments**

The company has seen a 20% increase in turnover levels compared to last year albeit with a slight reduction in gross margin being attained. As in previous years the management has ensured that there have been no major contractual disputes and that costs and overheads continue to be kept under control. These factors have resulted in the company maintaining profitability for the year. The current order book has secured work of around £87m for the next financial year from a mix of external and internal work, which makes up the bulk of the current forecast turnover of £103m for 2018.

The balance sheet remains strong with a net asset position of £13,815,000 (2016: £11,154,000) including cash balances of £9,287,000 (2016: £8,129,000).

### **Results and dividends**

The company recorded a profit for the financial year of £2,661,000 (2016: £2,548,000). The directors do not recommend the payment of a dividend (2016: £Nil).

### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the company relate to the competition in the market place, the rising employment costs and potential litigation and disputes arising on contracts.

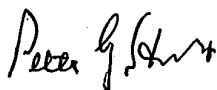
### **Key performance indicators (“KPIs”)**

The main KPI used is profitability on individual contracts, monitored on a monthly basis through a board level review of the management accounts.

### **Financial risk management**

The company bank account forms part of a composite arrangement with the parent company and a fellow subsidiary. Financial risk is managed at group level.

By order of the Board



P G Hirst  
Company Secretary

27 February 2018

# **Caddick Construction Limited**

## **Directors' report for the year ended 31 August 2017**

The directors present their report and the audited financial statements of the company for the year ended 31 August 2017.

### **Directors**

The directors who held office during the whole of the year and up to the date of signing the financial statements are given below:

Mr P Caddick  
Mrs A E Caddick  
Mr P G Hirst  
Mr K Bradley  
Mr K R Hinchliffe  
Mr A Murray  
Mr A C Dobson  
Mr I K Plowman

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Caddick Construction Limited**

## **Directors' report for the year ended 31 August 2017 (continued)**

### **Statement of disclosure of information to auditors**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

By order of the Board



P G Hirst  
**Company Secretary**  
27 February 2018

# **Caddick Construction Limited**

## **Independent auditors' report to the members of Caddick Construction Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Caddick Construction Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 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 Annual report (the "Annual Report"), which comprise: the Balance sheet as at 31 August 2017; the Profit and loss account, 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**

We have nothing to report in respect of the following matters in relation to which 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.

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.

#### **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.

# **Caddick Construction Limited**

## **Independent auditors' report to the members of Caddick Construction Limited (continued)**

### **Reporting on other information (continued)**

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 31 August 2017 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 Directors' report.

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

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

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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.

#### *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.

# Caddick Construction Limited

## Independent auditors' report to the members of Caddick Construction Limited (continued)

### 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.



Andy Ward (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

27 February 2018

# Caddick Construction Limited

## Profit and loss account for the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
<b>Turnover</b>	5	<b>97,661</b>	81,338
Cost of sales		<b>(90,265)</b>	(74,547)
<b>Gross profit</b>		<b>7,396</b>	6,791
Administrative expenses		<b>(4,619)</b>	(4,081)
Other operating income		<b>463</b>	420
<b>Operating profit</b>	6	<b>3,240</b>	3,130
Interest receivable and similar income	7	<b>118</b>	102
Interest payable and similar expenses	8	<b>(20)</b>	(20)
<b>Profit before taxation</b>		<b>3,338</b>	3,212
Tax on profit	10	<b>(677)</b>	(664)
<b>Profit for the financial year</b>		<b>2,661</b>	2,548

The company's results shown above all derive from continuing operations throughout the year.

The company has no comprehensive income other than that included in the profit above, and therefore no separate statement of comprehensive income has been presented.

# Caddick Construction Limited

## Balance sheet as at 31 August 2017

Registered number: 01435461

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Tangible assets	11	868	799
Investments	12	37	37
		<b>905</b>	836
<b>Current assets</b>			
Stocks	13	13	5
Debtors	14	32,042	26,402
Cash at bank and in hand		9,287	8,129
		<b>41,342</b>	34,536
<b>Creditors: amounts falling due within one year</b>	15	<b>(28,180)</b>	(23,985)
<b>Net current assets</b>		<b>13,162</b>	10,551
<b>Total assets less current liabilities</b>		<b>14,067</b>	11,387
Creditors: amounts falling due after more than one year	16	(221)	(210)
Provisions for liabilities	17	(31)	(23)
<b>Net assets</b>		<b>13,815</b>	11,154
<b>Capital and reserves</b>			
Called up share capital	18	50	50
Share-based payments reserve	19	102	102
Retained earnings		13,663	11,002
<b>Total equity</b>		<b>13,815</b>	11,154

The financial statements on pages 8 to 22 were approved by the board of directors on 27 February 2018 and were signed on its behalf by:



P G Hirst  
Director

## Caddick Construction Limited

### Statement of changes in equity for the year ended 31 August 2017

	Called-up share capital £'000	Share-based payments reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 September 2015	50	102	8,454	8,606
Profit for the financial year	-	-	2,548	2,548
Balance as at 31 August 2016	50	102	11,002	11,154
Balance as at 1 September 2016	50	102	11,002	11,154
Profit for the financial year	-	-	2,661	2,661
<b>Balance as at 31 August 2017</b>	<b>50</b>	<b>102</b>	<b>13,663</b>	<b>13,815</b>

# **Caddick Construction Limited**

## **Notes to the financial statements for the year ended 31 August 2017**

### **1 General information**

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Calder Grange, Weeland Road, Knottingley, West Yorkshire, WF11 8DA.

### **2 Statement of compliance**

The individual financial statements of Caddick Construction Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3 Summary of significant accounting policies**

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

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis and under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **Exemptions for qualifying entities under FRS 102**

The company is a qualifying entity as per FRS 100 and has taken advantage of the disclosure exemptions of FRS 102, section 1, paragraph 1.12(a) reconciliation of the number of shares outstanding at the beginning and end of the period, 1.12(b) statement of cash flows, 1.12(c) financial instruments and 1.12(e) key management compensation in total.

#### **Turnover**

Turnover includes the value of work done on construction contracts and the invoiced value of other sales, excluding Value Added Tax.

#### **Accounting for contracts**

Attributable profits are calculated based on the estimated total forecast result on each contract and the stage of completion on the contract. Attributable profits are not recognised until the point at which the outcome of the contract can be assessed with reasonable certainty. Provision is made for losses on all contracts as soon as such losses become apparent.

# **Caddick Construction Limited**

## **Notes to the financial statements for the year ended 31 August 2017 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Investments**

Investments are recorded at cost less provisions for any impairment in value.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the assets and the costs attributable to bringing the assets into working condition for its intended use.

Tangible fixed assets are depreciated at rates estimated to write them off over their expected useful lives.

Depreciation is provided on a reducing balance basis on plant, machinery and office equipment at the rate of 25% per annum and on motor vehicles at the rate of 33% per annum.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

#### **Taxation**

The charge for taxation is based on the result for the year.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not, that there will be suitable tax profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Hire purchase agreements**

Assets acquired under hire purchase agreements are capitalised and depreciated in the same way as purchased assets and the related liability is included in creditors. Interest is charged to the profit and loss account so as to give a constant periodic rate of charge on the amount outstanding.

#### **Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are also made to the personal plans of certain employees.

The expenditure is charged to the profit and loss account in the period to which it relates.

# **Caddick Construction Limited**

## **Notes to the financial statements for the year ended 31 August 2017 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Share based payments**

The company has equity-settled share-based payment transactions with certain employees.

Liabilities arising from equity-settled share-based payment transactions are fair valued at the time of issue and the movement recognised in reserves.

The liability has been calculated based on the estimated fair value of the subsidiary undertaking calculated by reference to net asset value and multiples of historic profits, EBITDA and expected cash flow generation. An option pricing model is not considered appropriate given the shares are unlisted and have not been traded.

#### **Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial instruments, including trade and other receivables, cash and bank balances and listed investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss, being the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate, is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed and is recognised in the profit and loss account.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Consolidation**

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 and consequently these financial statements present information about the company, rather than the group. The company is itself a wholly owned subsidiary of Caddick Group PLC, a company which prepares consolidated financial statements.

# **Caddick Construction Limited**

## **Notes to the financial statements for the year ended 31 August 2017 (continued)**

### **4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

#### **Recognition of contracts**

Turnover and profits arising on contracts are recognised based on the total forecast result and the stage of completion at the year-end date, in accordance with the accounting policy. Assessment of these rests with the individual quantity surveyors assigned to each contract, overseen by senior management. In particular the level of any under-value and the amount of subcontract liability arising on each contract is reviewed and considered on a monthly basis as part of the management accounts process.

### **5 Turnover**

Turnover all arises in the United Kingdom from the company's principal activities. Turnover includes sales of £14,359,000 (2016: £29,118,000) to group undertakings.

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 6 Operating profit

Operating profit is stated after charging / (crediting) the following:	2017	2016
	£'000	£'000
Depreciation:		
- owned tangible fixed assets	94	81
- leased tangible fixed assets	191	154
Remuneration of auditors for audit work	14	13
Remuneration of auditors for non-audit work	8	8
Management charges receivable from group undertakings	(463)	(420)
Management charges payable to group undertakings	160	155
Profit on sale of tangible fixed assets	(1)	(1)

### 7 Interest receivable and similar income

	2017	2016
	£'000	£'000
Group interest	118	102

### 8 Interest payable and similar expenses

	2017	2016
	£'000	£'000
Hire purchase interest	19	17
Other interest payable	1	3
	20	20

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 9 Employees and directors

	2017	2016
	£'000	£'000
<b>Staff costs comprise:</b>		
Wages and salaries	6,318	5,163
Social security costs	829	637
Other pension costs (note 21)	285	330
	<b>7,432</b>	<b>6,130</b>
<b>Directors' emoluments were as follows:</b>		
Aggregate remuneration	1,294	1,150
Company contributions to money purchase pension schemes	85	153
	<b>1,379</b>	<b>1,303</b>
<b>Remuneration of the highest paid director:</b>		
Aggregate remuneration	319	254
Company contributions to money purchase pension schemes	12	60
	<b>331</b>	<b>314</b>

The number of directors to whom benefits are accruing under money purchase pension schemes was 7 (2016: 7).

The average monthly number of persons employed by the company during the year, including directors, was 108 (2016: 96).

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 10 Tax on profit

	2017	2016
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax on profits of the year at 19/20% (2016: 20%)	674	685
Adjustment in respect of prior years	(5)	4
<b>Total current tax</b>	<b>669</b>	<b>689</b>
<b>Deferred tax:</b>		
Charge for current year	15	(15)
Adjustment in respect of prior years	(7)	(10)
<b>Total deferred tax (note 17)</b>	<b>8</b>	<b>(25)</b>
<b>Tax charge on profit</b>	<b>677</b>	<b>664</b>

The corporation tax charge on the profit before taxation differs from the standard UK rate of 19/20% (2016: 20%). The differences are explained below :

	2017	2016
	£'000	£'000
<b>Profit before tax</b>	<b>3,338</b>	<b>3,212</b>
Profit before tax multiplied by the standard rate of corporation tax in the UK at 19.58% (2016: 20.00%)	653	642
Effects of:		
Re-measurement of deferred tax – change in UK tax rate	(1)	(2)
Expenses not deductible for tax purposes	37	30
Adjustment in respect of prior years	(12)	(6)
<b>Tax charge for the year</b>	<b>677</b>	<b>664</b>

#### Factors that may affect future tax charges:

Reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and 17% effective from 1 April 2020 were substantively enacted on 6 September 2016. As these changes had been substantively enacted at the balance sheet date they have been recognised in the financial statements..

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 11 Tangible assets

	Plant, machinery and office equipment	Motor vehicles	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 September 2016	2,614	139	2,753
Additions	311	70	381
Disposals	(123)	(30)	(153)
<b>At 31 August 2017</b>	<b>2,802</b>	<b>179</b>	<b>2,981</b>
<b>Accumulated depreciation</b>			
At 1 September 2016	1,910	44	1,954
Charge for the year	234	51	285
Disposals	(111)	(15)	(126)
<b>At 31 August 2017</b>	<b>2,033</b>	<b>80</b>	<b>2,113</b>
<b>Net book amount</b>			
<b>At 31 August 2017</b>	<b>769</b>	<b>99</b>	<b>868</b>
At 31 August 2016	704	95	799

The net book amount of tangible assets includes assets acquired under hire purchase agreements amounting to £568,000 (2016: £499,000) comprising plant and machinery of £479,000 (2016: £419,000) and motor vehicles of £89,000 (2016: £80,000).

### 12 Investments

	2017	2016
	£'000	£'000
Shares in subsidiary undertakings	37	37

The directors believe that the carrying value of the investments is supported by their underlying assets.

The company owns the whole of the issued share capital of the following company, which is incorporated in the United Kingdom, with registered office address of Calder Grange, Weeland Road, Knottingley, West Yorkshire, WF11 8DA :

Caddick Civil Engineering Limited (75% owned)      - civil engineering company

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 13 Stocks

	2017	2016
	£'000	£'000
Raw materials and consumables	13	5

### 14 Debtors

	2017	2016
	£'000	£'000
Trade debtors	5,614	5,916
Amounts recoverable on contracts	2,854	2,436
Amounts owed by group undertakings	21,660	14,596
Amounts owed by joint venture undertakings	220	-
Other debtors	1,227	3,017
Prepayments and accrued income	467	437
	<b>32,042</b>	<b>26,402</b>

The amounts owed by group undertakings are unsecured, repayable on demand and not subject to interest.

### 15 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Payments received on account	662	1,084
Trade creditors	22,752	19,185
Amounts owed to group undertakings	1,656	1,004
Hire purchase creditors	200	226
Corporation tax payable	542	611
Other taxation and social security	247	190
Accruals and deferred income	2,121	1,685
	<b>28,180</b>	<b>23,985</b>

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 16 Creditors: amounts falling due after more than one year

	2017	2016
	£'000	£'000
Hire purchase creditors	221	210

Hire purchase obligations shown above which fall due between one and two years amount to £110,000 (2016: £136,000) and between two and five years amount to £111,000 (2016: £74,000).

### 17 Provisions for liabilities

	2017	2016
	£'000	£'000
Deferred tax liability	31	23

The deferred tax balance at 17% (2016: 18%) comprises:

	2017	2016
	£'000	£'000
Accelerated capital allowances	42	34
Other timing differences	(11)	(11)
Deferred tax liability	31	23

#### Deferred tax movement

	£'000
At 1 September 2016	23
Charged to the profit and loss account (note 10)	8
At 31 August 2017	31

# Caddick Construction Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 18 Called up share capital

	2017	2016
	£'000	£'000
<b>Authorised, allotted and fully paid:</b>		
50,000 (2016: 50,000) Ordinary shares of £1 each	50	50
100 (2016: 100) 'B' ordinary shares of £1 each	-	-
	<b>50</b>	<b>50</b>

The 'B' ordinary shares were issued to the directors in accordance with section 205A of the Employment Rights Act 1996 under Employee Shareholder Status, in order to provide incentives to these employees. On a disposal of the business each 'B' ordinary shares is entitled to 0.25% of the growth value (being the amount in excess of the base hurdle of £7,500,000). On declaration of a dividend the 'B' ordinary shares rank for a priority dividend equivalent to the percentage of value they would have received on a deemed disposal at the date of dividend payment. The 'B' shares each carry a put option requiring the majority shareholder in the company to purchase the shares should the option be exercised.

### 19 Share-based payment reserve

	£'000
At 1 September 2016 and 31 August 2017	102

### 20 Contingent liabilities

As part of a cross guarantee arrangement operated within the group, the company has guaranteed certain borrowings of other group companies. At 31 August 2017, this amounted to £Nil (2016: £Nil).

### 21 Pensions

The company contributes to personal pension plans for eligible employees. The pension cost charge of £285,000 (2016: £330,000) represents contributions paid during the year. The amount of pension contributions accrued at the year-end was £61,000 (2016: £61,000).

# **Caddick Construction Limited**

## **Notes to the financial statements for the year ended 31 August 2017 (continued)**

### **22 Ultimate parent company and ultimate controlling party**

The company's ultimate parent company and parent undertaking of the smallest and largest group to consolidate these financial statements is Caddick Group PLC, which prepares group financial statements. Copies of the group financial statements may be obtained from the company's registered office: Castlegarth Grange, Scott Lane, Wetherby, LS22 6LH. The company's ultimate controlling party is Mr P Caddick.

### **23 Related party transactions**

The company has taken advantage of the exemption available under the terms of paragraph 33.1A of FRS 102 from disclosure of transactions with other wholly owned group undertakings.

During the year the company paid £65,000 (2016: £65,000) by way of property rentals to a pension scheme of which Mr P Caddick and Mrs A E Caddick are beneficiaries.

During the year the company performed work, inclusive of VAT, to the value of £80,000 (2016: £49,000) for Mr P Caddick, on an arms' length basis.