

Registered number: 01435461

Caddick Construction Limited
Annual report
for the year ended 31 August 2019



Caddick Construction Limited

Annual report for the year ended 31 August 2019

Contents

	Page
Directors and advisers	1
Strategic report for the year ended 31 August 2019	2
Directors' report for the year ended 31 August 2019	3
Independent auditors' report to the members of Caddick Construction Limited	5
Profit and loss account for the year ended 31 August 2019	8
Balance sheet as at 31 August 2019	9
Statement of changes in equity for the year ended 31 August 2019	10
Notes to the financial statements for the year ended 31 August 2019	11

Caddick Construction Limited

Directors and advisers

Directors

P Caddick
A E Caddick
P A Bullers
K Bradley
A Murray
A C Dobson
I K Plowman
C P Wilson
R Gaukrodger

Company Secretary

P A Bullers

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 2019

The directors present their strategic report for the year ended 31 August 2019.

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 reduction in turnover and profit levels compared to last year, principally resulting from the creation of a new subsidiary, Caddick Construction (NW) Limited, through which contracts in the North West region projects are now being carried out. The combined turnover shows an overall increase, as detailed below.

	Turnover		Profit / (loss) before tax	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Caddick Construction Limited	53,216	83,685	2,010	3,989
Caddick Construction (NW) Limited	44,768	4,398	659	(289)
Combined	97,984	88,083	2,669	3,700

The current order book for the company has secured work of around £127m for the next two financial years from a mix of external and internal work. Of this total £53m will fall within the forthcoming year, which makes up the bulk of the current forecast turnover of £81m. The balance sheet remains strong with a net asset position of £18,686,000 (2018: £16,998,000) including cash balances of £6,752,000 (2018: £9,887,000).

Results and dividends

The company recorded a profit for the financial year of £1,688,000 (2018: £3,183,000). The directors do not recommend the payment of a dividend (2018: £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 A Bullers

Company Secretary

12 March 2020

Caddick Construction Limited

Directors' report for the year ended 31 August 2019

The directors present their report and the audited financial statements of the company for the year ended 31 August 2019.

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 K Bradley	
Mr K R Hinchliffe	Resigned 30 November 2018
Mr A Murray	
Mr A C Dobson	
Mr I K Plowman	
Mr P A Bullers	
Mr C P Wilson	Appointed 1 July 2019
Mr R Gaukrodger	Appointed 1 July 2019

Statement of directors' responsibilities

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

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 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). 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

Caddick Construction Limited

Directors' report for the year ended 31 August 2019 (continued)

Directors' confirmations

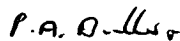
In the case of each director in office at the date the Director's report is approved:

- so far as each director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's 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 A Bullers
Company Secretary
12 March 2020

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 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 Annual report, which comprise: the Balance sheet as at 31 August 2019; 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

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.

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 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 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. 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

12 March 2020

Caddick Construction Limited

Profit and loss account for the year ended 31 August 2019

	Note	2019 £'000	2018 £'000
Turnover	5	53,216	83,685
Cost of sales		(47,669)	(75,080)
Gross profit		5,547	8,605
Administrative expenses		(4,627)	(5,195)
Other operating income		1,055	444
Operating profit	6	1,975	3,854
Interest receivable and similar income	7	188	157
Interest payable and similar expenses	8	(32)	(22)
Profit before taxation		2,131	3,989
Tax on profit	10	(443)	(806)
Profit for the financial year		1,688	3,183

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 2019

Registered number: 01435461

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	11	1,031	1,144
Investments	12	37	37
		1,068	1,181
Current assets			
Stocks	13	25	20
Debtors	14	32,868	32,551
Cash at bank and in hand		6,752	9,887
		39,645	42,458
Creditors: amounts falling due within one year	15	(21,754)	(26,269)
Net current assets		17,891	16,189
Total assets less current liabilities		18,959	17,370
Creditors: amounts falling due after more than one year	16	(233)	(325)
Provisions for liabilities	17	(40)	(47)
Net assets		18,686	16,998
Capital and reserves			
Called up share capital	18	50	50
Share-based payments reserve	19	102	102
Retained earnings		18,534	16,846
Total equity		18,686	16,998

The financial statements on pages 8 to 23 were approved by the board of directors on 12 March 2020 and were signed on its behalf by:

P. A. Bullers

P A Bullers
Director

Caddick Construction Limited

Statement of changes in equity for the year ended 31 August 2019

	Called-up share capital	Share-based payments reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 September 2017	50	102	13,663	13,815
Profit for the financial year	-	-	3,183	3,183
Balance as at 31 August 2018	50	102	16,846	16,998
Balance as at 1 September 2018	50	102	16,846	16,998
Profit for the financial year	-	-	1,688	1,688
Balance as at 31 August 2019	50	102	18,534	18,686

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019

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 2019 (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 2019 (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 2019 (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 £10,925,000 (2018: £6,144,000) to group undertakings.

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

6 Operating profit

Operating profit is stated after charging / (crediting) the following:	2019	2018
	£'000	£'000
Depreciation:		
- owned tangible fixed assets	118	122
- leased tangible fixed assets	209	198
Remuneration of auditors for audit work	15	15
Remuneration of auditors for non-audit work	5	8
Management charges receivable from group undertakings	(1,055)	(444)
Management charges payable to group undertakings	140	168
(Profit) / loss on sale of tangible fixed assets	(21)	7

7 Interest receivable and similar income

	2019	2018
	£'000	£'000
Group interest	143	140
Interest on loans to joint venture undertakings	45	17
	188	157

8 Interest payable and similar expenses

	2019	2018
	£'000	£'000
Group interest	12	-
Hire purchase interest	20	20
Other interest payable	-	2
	32	22

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

9 Employees and directors

	2019	2018
	£'000	£'000
Staff costs comprise:		
Wages and salaries	7,743	8,222
Social security costs	955	1,045
Other pension costs (note 21)	329	355
	9,026	9,622
Directors' emoluments were as follows:		
Aggregate remuneration	1,150	1,455
Company contributions to money purchase pension schemes	34	80
	1,184	1,535
Remuneration of the highest paid director:		
Aggregate remuneration	294	354
Company contributions to money purchase pension schemes	-	18
	294	372

The number of directors to whom benefits are accruing under money purchase pension schemes was 7 (2018: 7).

The average monthly number of persons employed by the company during the year, including directors, was 132 (2018: 130).

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

10 Tax on profit

	2019	2018
	£'000	£'000
Current tax:		
UK corporation tax on profits of the year at 19% (2018: 19%)	465	791
Adjustment in respect of previous years	(15)	(1)
Total current tax	450	790
Deferred tax:		
Charge for current year	(22)	16
Adjustment in respect of previous years	15	-
Total deferred tax (note 17)	(7)	16
Tax charge on profit	443	806

The corporation tax charge on the profit before taxation differs from the standard UK rate of 19% (2018: 19%). The differences are explained below :

	2019	2018
	£'000	£'000
Profit before taxation	2,131	3,989
Profit before taxation multiplied by the standard rate of corporation tax in the UK at 19% (2018: 19%)	405	758
Effects of:		
Expenses not deductible for tax purposes	38	49
Adjustment in respect of previous years	-	(1)
Tax charge for the year	443	806

Factors that may affect future tax charges:

Reductions in the UK corporation tax rate to 17% effective from 1 April 2020 was substantively enacted on 6 September 2016. As this change has been substantively enacted at the balance sheet date it has been recognised in the financial statements.

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

11 Tangible assets

	Plant, machinery and office equipment	Motor vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 September 2018	3,234	320	3,554
Additions	253	60	313
Disposals	(255)	(99)	(354)
At 31 August 2019	3,232	281	3,513
Accumulated depreciation			
At 1 September 2018	2,286	124	2,410
Charge for the year	255	72	327
Disposals	(188)	(67)	(255)
At 31 August 2019	2,353	129	2,482
Net book amount			
At 31 August 2019	879	152	1,031
At 31 August 2018	948	196	1,144

The net book amount of tangible assets includes assets acquired under hire purchase agreements amounting to £525,000 (2018: £702,000) comprising plant and machinery of £390,000 (2018: £531,000) and motor vehicles of £135,000 (2018: £171,000).

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

12 Investments

	2019	2018
	£'000	£'000
Shares in subsidiary undertakings	37	37
Investment in joint venture undertakings	-	-
	37	37

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

The company owns a majority shareholding in the following companies, both of which are 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 (NW) Limited (90% owned)	- construction company

The company has a 33.33% interest in C & W Property Developments LLP, a property investment partnership with registered office address of Calder Grange, Weeland Road, Knottingley, West Yorkshire, WF11 8DA.

13 Stocks

	2019	2018
	£'000	£'000
Raw materials and consumables	25	20

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

14 Debtors

	2019	2018
	£'000	£'000
Trade debtors	2,292	5,651
Amounts recoverable on contracts	1,673	1,095
Amounts owed by group undertakings	25,359	23,824
Amounts owed by joint venture undertakings	1,228	1,202
Corporation tax recoverable	34	80
Other debtors	1,719	244
Prepayments and accrued income	563	455
	32,868	32,551

The amounts owed by group undertakings are unsecured, repayable on demand and bear interest at market deposit rates.

The amounts owed by joint venture undertakings is an amount owed by C & W Property Developments LLP, which is unsecured, repayable on demand and bears interest at 3.5% over base rate.

15 Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Payments received on account	541	588
Trade creditors	11,816	19,340
Amounts owed to group undertakings	7,117	2,314
Amounts owed to related undertakings	-	119
Hire purchase creditors	219	227
Corporation tax payable	275	627
Other taxation and social security	262	320
Accruals and deferred income	1,524	2,734
	21,754	26,269

The amounts owed to group undertakings are unsecured, repayable on demand and bear interest at market deposit rates.

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

16 Creditors: amounts falling due after more than one year

	2019	2018
	£'000	£'000
Hire purchase creditors	233	325

Hire purchase obligations shown above which fall due between one and two years amount to £172,000 (2018: £180,000) and between two and five years amount to £61,000 (2018: £145,000).

17 Provisions for liabilities

	2019	2018
	£'000	£'000
Deferred tax liability	40	47

The deferred tax balance at 17% (2018: 17%) comprises:

	2019	2018
	£'000	£'000
Accelerated capital allowances	51	57
Other timing differences	(11)	(10)
Deferred tax liability	40	47

Deferred tax movement

	£'000
At 1 September 2018	47
Charged to the profit and loss account (note 10)	(7)
At 31 August 2019	40

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

18 Called up share capital

	2019	2018
	£'000	£'000
Authorised, allotted and fully paid:		
50,000 (2018: 50,000) Ordinary shares of £1 each	50	50
100 (2018: 100) 'B' ordinary shares of £1 each	-	-
10 (2018: 10) 'D' ordinary shares of £1 each	-	-
	50	50

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 share 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.

The 'D' ordinary shares were issued to the directors in order to provide incentives to these employees. On a disposal of the business each 'D' ordinary share is entitled to 0.25% of the growth value (being the amount in excess of the base hurdle of £24,100,000). On declaration of a dividend the 'D' 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 'D' shares each carry a put option requiring the majority shareholder in the company to purchase the shares should the option be exercised.

Subsequent to the year-end on 7 January 2020 30 'E' ordinary shares were issued to the directors in order to provide incentives to these employees. On a disposal of the business each 'E' ordinary share is entitled to 0.25% of the growth value (being the amount in excess of the base hurdle of £29,400,000). On declaration of a dividend the 'E' 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 'E' 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 payments reserve

	£'000
At 1 September 2018 and 31 August 2019	102

Caddick Construction Limited

Notes to the financial statements for the year ended 31 August 2019 (continued)

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 2019, this amounted to £Nil (2018: £Nil).

21 Pensions

The company contributes to personal pension plans for eligible employees. The pension cost charge of £329,000 (2018: £355,000) represents contributions paid during the year. The amount of pension contributions accrued at the year-end was £61,000 (2018: £61,000).

22 Ultimate parent company and ultimate controlling party

The company's immediate and 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 (2018: £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 £77,000 (2018: £51,000) for Mr P Caddick, on an arms' length basis.

At 31 August 2019 the company was owed £1,228,000 (2018: £1,202,000) by C & W Property Developments LLP (note 14) on which interest was charged of £45,000 (2018: £17,000) (note 7).

During the year the company performed work for Headingley North-South Stand Limited, a joint venture of fellow subsidiary Leeds Cricket Football and Athletic Company Limited, amounting to £17,411,000 (2018: £22,230,000). At 31 August 2019 the company owed £Nil (2018: £119,000) to Headingley North-South Stand Limited.