

Caddick Group PLC  
Annual report  
for the year ended 31 August 2020



# **Caddick Group PLC**

## **Annual report for the year ended 31 August 2020**

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# Caddick Group PLC

## Chairman's statement for the year ended 31 August 2020

Overall, the Group's general focus on sectors and activities underpinned by robust demand has proved extremely resilient, despite the unprecedented challenges presented by the COVID-19 pandemic. However, there were some temporary interruptions to normal trading. This had some impact on the second half-year and affected the divisions of the group in varying degrees, as described further in the divisional analysis below. Fortunately, the group completed some significant transactions (SoYo, Mirfield phase 1) in the first half-year prior to the effects of the pandemic, which placed the group in a strong financial position going into the remainder of the financial year.

I am pleased to report the group result for the year is a profit of £15,637,000 before taxation, an increase of 47% on the previous year with turnover also increasing by 43% and net asset value increasing to just under £100m.

### Property Development

The group continues to focus on delivering institutional grade developments primarily in the living and industrial sectors, both areas proving resilient to the financial impact of COVID-19. Investment in new projects is focused on front-end costs comprising planning fees, site deposits and option fees. Larger projects are generally executed using either forward-funding, options or joint ventures with funding partners.

The property development team were able to successfully switch to a working-from-home model at the onset of the COVID-19 pandemic, meaning that development operations could continue with minimal disruption and allowing all staff to continue working fulltime, with none requiring furlough.

Development of Build-to-Rent ("BTR") projects is undertaken under the Moda Living brand, a joint venture between Caddick and Generate Land. The first scheme, the 466 unit flag-ship Angel Gardens development on the NOMA site in Manchester, achieved full practical completion in September 2020. The group now has five other schemes on site, comprising a 325 unit scheme in Liverpool, a 481 unit scheme in Birmingham, a 515 unit scheme in Leeds, a 337 unit scheme in Edinburgh and a 433 unit scheme in Glasgow. Construction is progressing well on all schemes despite some delays due to COVID-19, with completions expected between late 2021 through to late 2022. The group and the investors have a number of other BTR sites under their control including York, Hove and a second site in Birmingham giving the Moda brand a significant pipe-line of development sites. Further BTR sites throughout the UK continue to be identified and assessed.

The SoYo site in Leeds is now being redeveloped. In October 2020, the first two plots for BTR were sold into the Moda Living joint venture, providing the stimulus and funds to kick-start the whole development, as well as providing an £80m build contract for the Group's construction division. The remaining four plots will be for mixed use likely to comprise further residential units for sale or rent, a multi-storey car park and a hotel.

Following on from the successful forward funding sale of the distribution warehouse to TK Maxx (Crosspoint phase 1) during 2017, in April 2019 the Group forward sold a further 28 acres of land at phase 2 at the Crosspoint development, with an associated £24m build contract for the 512,500 sq ft warehouse to be placed with the construction division. Following receipt of planning consent, the land sale completed in June 2020.

Work on the 15 acre industrial site at Mirfield, continued during the year with the first phase, a warehouse unit pre-let to Wesco, lease completed late 2019 and then sold to an investor, completing February 2020. Subsequent to the year-end the second and third phases, comprising 3 units and 2 units respectively, were also forward sold on to the same investor, with construction commencing early 2021.

# Caddick Group PLC

## Chairman's statement for the year ended 31 August 2020 (continued)

### Property Development (continued)

The City One site in Leeds, acquired via a joint venture arrangement, continues to be operated as a surface car park, albeit the car park was closed due to lockdown during April to June 2020 with parking numbers remaining very low for the remainder of the financial year. The site does have outline planning consent for 1.6m sq ft of mixed use so the aim is to redevelop the site in due course, likely to be underpinned by a number of residential and office uses.

The Scarborough commercial mixed-use site of around 88 acres comprises a mixture of serviced land (38 acres), part-serviced land (12 acres) and un-serviced land (38 acres strategic land).

The group's land acquisition division (Caddick Land) seeks options and promotion agreements on small to medium size sites for residential use and larger sites for industrial use. The group uses its expertise and available cash to secure planning consent on behalf of the landowners in return for a share of the enhanced land value on disposal. The first two sites (Maulden & Tytherington) to successfully receive consents were sold on behalf of the owners during the year, with a third site in Stilton sold since the year-end, resulting in the group recovering costs and receiving promote fees.

The sizeable pipeline of other longer-term strategic land sites in which the group has an interest include 25 acres at Leeds Valley Park, Leeds (owned and now under full control), the 310 acre residential site at Cattal near Harrogate (promotion/exclusivity agreements), the 450 acre residential site at Elvington, York (option/promotion agreement), the 270 acre site at Osberton (promotion/development agreement), the 390 acres of land at Ferrybridge (options) and the 80 acre mixed use site at Fulford (option). An outline planning application has been submitted in respect of the new settlement for c4,000 new homes at Cattal with a decision expected during 2021. A planning application in respect of Fulford has been submitted and we await the outcome of the Local Development Plan.

### Construction and Civil Engineering

The first lockdown due to the COVID-19 pandemic resulted in a temporary halt in construction operations whilst the group reviewed its policies and procedures to mitigate against the effects of COVID-19 and adhere to government guidance.

The effects were more heavily felt in the Yorkshire region (approximately 45% of staff furloughed at the start) compared to the North West region (around 34% furloughed), mainly due to the nature of the projects and the stage of completion, with North West region being predominantly warehouses, which facilitated social distancing, versus the Yorkshire region having more residential. Both regions were pretty much back to some form of normality by the financial year-end.

Despite the effects of COVID-19 the construction division has seen an increase in turnover levels, principally arising from increased activity in the North West region (up 53%), albeit at a reduced margin due to the cost of delays. Costs and overheads continue to be kept under scrutiny and there have been no major contractual disputes during the year. Current combined forecast turnover for the 2021 year-end is £195m of which all but £11m is already secured or completed, with current combined order book having a further £77m of work falling into the following financial year.

The civil engineering division, which derives much of its workload from housebuilding companies, was particularly impacted by the COVID-19 pandemic, with closure of all sites during the first lockdown resulting in all but 3 of the staff having to be furloughed. Many of those sites remained closed for several months, meaning a return to full working was only achieved post year-end. This impacted both turnover (down 19%) and gross profits (down 13%).

# Caddick Group PLC

## Chairman's statement for the year ended 31 August 2020 (continued)

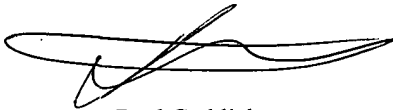
### Sports Activities

The Rugby division of the group suffered the most from the effects of the COVID-19 pandemic, with the playing season being decimated by the lockdown. The Rhinos had completed just five rounds of the 2020 season before the first national lockdown on 23<sup>rd</sup> March 2020, with the resumption of fixtures in August behind closed doors. The stadium will finally re-open for limited capacity crowds (maximum 4,000) with effect from 17 May 2021 under the Government 'roadmap' but there is still little clarity on when playing in front of full crowds will recommence.

Despite utilising all the available Government initiatives, including the furlough scheme (CJRS), deferment of VAT and PAYE liabilities and the availability of loan funding provided by the Department of Culture, Media & Sport via the sport's governing body, the financial results were heavily impacted by the pandemic, resulting in the substantial loss-making position.

The new rugby North-South Stand overlooking both the rugby and cricket sides of the stadium has given both clubs and the city of Leeds a fantastic new facility for match days and other corporate events, which has yet to fulfil its full potential, given the impact of COVID-19. Once there is a return to more normal operations the group is confident that the new facilities will come into their own, generating additional income for the Rugby division.

I would like to thank all staff for their efforts during what has been a very difficult and busy year.



Paul Caddick  
Chairman

19 May 2021

# **Caddick Group PLC**

## **Strategic report for the year ended 31 August 2020**

The directors present their strategic report on the group for the year ended 31 August 2020.

### **Principal activities**

The principal activities of the group are design build, construction, civil engineering, property development and investment and the staging of professional rugby and other stadium activities. The principal activities of the company are property investment and the management of the group's businesses.

### **Review of the business and future prospects**

The results of the group for the year are set out on page 13. A commentary on the group's performance and prospects is included in the Chairman's statement.

### **Going concern**

The group has completed a rigorous review of its going concern assessment in light of the COVID-19 pandemic. This comprised of:

- preparing cashflow forecasts for the main operating divisions, looking ahead for the 18 month period January 2021 to August 2022;
- stress testing those cashflows by considering 'worse-case' severe but plausible downside scenarios;
- consideration of the group's main portfolio bank loan facility and the covenants thereon; and
- reviewing the group's robust policy towards liquidity and cash flow management and the policy of forward funding / selling development projects.

Specific actions taken by the group during the year to mitigate the financial impact of COVID-19 included:

- utilising the Government CJRS initiative for those divisions affected by closure of business operations;
- deferred payment of VAT and PAYE liabilities;
- thorough engagement with credit agencies to ensure ongoing support;
- temporary reductions in pay for all but the lowest paid staff, with directors and senior staff taking the largest percentage reductions;
- on the Rugby side, engagement with fans, season ticket holders and corporate hospitality members to facilitate waiver or deferral of refunds;
- engagement with the group's bankers resulting in deferral of two quarterly capital repayments on the portfolio loan and a temporary relaxation of covenant tests; and
- no dividends were paid during the year.

The results of the review and actions taken mean that the group is well placed to meet any challenges as a result of COVID-19 and any other economic issues in the forthcoming year and that it is appropriate to prepare financial statements on a going concern basis.

### **Results and dividends**

The profit before taxation amounted to £15,637,000 (2019: £10,610,000). The profit for the financial year attributable to ordinary shareholders amounted to £11,195,000 (2019: £8,270,000).

Net assets have increased to £99,581,000 (2019: £88,958,000)

No dividends were paid during the year (2019: £500,000).

# Caddick Group PLC

## Strategic report for the year ended 31 August 2020 (continued)

### Principal risks and uncertainties

The management of the business and the execution of the group and company's strategy are subject to a number of risks, the over-riding ones being as a result of the current economic conditions as a result of the COVID-19 pandemic.

The key business risks and uncertainties affecting the group's property activities are considered to relate to the availability of suitable development opportunities, yields and investment returns required by potential investors, the availability and cost of suitable finance, quality of tenant base and the tax regime in relation to property transactions.

The key business risks and uncertainties affecting the group's construction activities relate to the competition in the market place, the lack of demand due to the economy, potential bad debts and litigation and disputes arising on contracts.

The key business risks and uncertainties affecting the group's sporting activities relate to attendances and gate receipts, player salary costs and performance 'on the field'.

### Financial risk management

The group's operations expose it to a variety of financial risks that include liquidity risk and interest rate risk. In order to manage the liquidity risk and ensure stability of cash-flows the directors have maintained a significant positive cash balance throughout the year through a combination of retaining profits from completed transactions and by gearing up existing properties.

Interest rate risk is managed by constantly reviewing the market for available rates and by spreading the risk through a combination of medium term loans at fixed rates, including the use of hedging instruments, and shorter-term loans at variable rates.

### Key performance indicators ("KPIs")

For the development activities of the group each individual development project is appraised on its own merits and profitability.

For the construction activities the main KPI used is profitability on individual contracts.

For the sporting activities of the group the main KPIs is the performance of the Rugby League team on the field and their placing in the league.

### Statement under section 172(1) of the Companies Act

Each of the directors acknowledges their responsibility to promote the success of the company for its shareholders, having due regard (amongst other matters) to:

- the likely consequences of any decisions on the long-term;
- the interests of the group and company's employees;
- the need to foster the group and company's business relationships with supplier, customers, lenders, joint venture partners and others;
- the impact of the group and company's operations on the community and environment;
- the desirability of the group and company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the group and company.

# Caddick Group PLC

## Strategic report for the year ended 31 August 2020 (continued)

### Statement under section 172(1) of the Companies Act (continued)

The Board comprises the Chairman (and founder of the business some 40 years ago), his wife and the Finance Director, employed by the group since 1996. The Boards of subsidiaries comprise the Chairman, Finance Director and several other directors specific to that operating sector, appointed by group. Regular board meetings are held at divisional level (Construction, Developments, Moda and Rugby) covering strategic and tactical decisions, financial performance (both actual and forecast), staff matters, health & safety etc. all of which have a bearing on the long-term impact and success of the business.

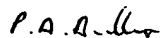
The group attaches great importance to fostering good relationships with its employees, suppliers, customers, funders, joint venture partners and other stakeholders. It acknowledges that the long-term success of the company is dependent on the way it works with the various stakeholders and the group is committed to acting professionally and with integrity in all business relationships, including in relation to anti-bribery and modern slavery.

Our employees are the foundation of the group's success and in return we offer attractive jobs and comprehensive opportunities for personal development. The group takes pride in having a long serving workforce with low staff turnover. Engagement with employees takes many forms including formal and informal meetings, annual staff appraisals and regular e-mail communications.

The group recognises that it must act responsibly towards the environment and continues to implement policies and procedures to minimise damage caused to the environment. The group promotes energy efficiency, including owning two of its own wind turbines which feed into the national grid. On property developments the group applies BREEAM where appropriate and the majority of building sites are registered with the Considerate Constructors Scheme, committing the group to being good neighbours and environmentally aware.

Further details of the Group's approach to Environmental, Social and Governance matters can be found in the Group ESG report, available from the Registered Office.

By order of the Board



P A Bullers  
Company Secretary

19 May 2021

# Caddick Group PLC

## Directors' report for the year ended 31 August 2020

The directors have pleasure in presenting their annual report and the audited consolidated financial statements of the company and its subsidiaries for the financial year ended 31 August 2020.

### Directors

The directors of the company during the whole of the year and up to the date of signing of the financial statements were as follows:

P Caddick

Mrs A E Caddick

P G Hirst

P A Bullers

Resigned 24 August 2020

### 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 group and company 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 group and the company and of the profit or loss of the group and 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 FRS 102, 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 group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Directors' confirmations

In the case of each director in office at the date the Directors' 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 group and company's auditors are aware of that information.

# Caddick Group PLC

## Directors' report for the year ended 31 August 2020 (continued)

### Environmental aspirations and Streamlined Energy and Carbon Reporting ("SECR")

The group recognise the environmental responsibilities we have to our families, employees, tenants and other stakeholders, including future generations and have laid out our aspirations in our ESG Report 2020 "Growing our Commitment".

Alongside our peers, the group is aiming to be net zero carbon by 2050. Our roadmap to net zero carbon will be in line with industry standards set out by organisations such as the Better Buildings Partnership and the UK Green Building Council. Meanwhile, we will keep abreast of the developments in the more complicated area of embodied carbon so that we can take action when a path becomes clear in this space.

The 2018 Regulations are designed to increase the awareness of energy costs within organisations, and this is the first year that the group is required to report under this legislation. Our calculations use calendar year 2018 as a base, as comparable data is available from the ESOS report prepared for that year.

	Energy footprint		Green House Gas	
	2020 Kwh	2018 Kwh	2020 tCO2e	2018 tCO2e
Petrol & diesel (note 1)	3,647,520	7,062,439	915	1,730
Site gas oil ('red diesel')	4,276,980	2,691,400	1,089	720
<b>Total scope 1 emissions</b>	<b>7,924,500</b>	<b>9,753,839</b>	<b>2,004</b>	<b>2,450</b>
Electricity purchased (offices & sites)	649,951	402,439	152	113
Gas purchased (offices & sites)	153,274	191,722	28	35
<b>Total scope 2 emissions</b>	<b>803,225</b>	<b>594,161</b>	<b>180</b>	<b>148</b>
<b>Total</b>	<b>8,727,725</b>	<b>10,348,000</b>	<b>2,184</b>	<b>2,598</b>
			<b>2020</b>	<b>2018</b>
Employee numbers, excluding sports division			306	268
<b>Intensity ratio (tCO2e/employee)</b>			<b>7.14</b>	<b>9.69</b>

The details provided above exclude data for the sporting division, who are engaged in their own environmental initiatives but fall outside the financial parameters for reporting under SECR.

Furthermore, in addition to our activities to reduce carbon generation, the group owns two wind turbines producing renewable energy which is fed into the National Grid. During the year these generated 2,607,269 Kwh, helping to mitigate the groups carbon footprint.

Note 1: petrol and diesel includes fuel card spend for both company and privately owned vehicles, covering both business and private mileage. Business use for company-owned vehicles would ordinarily be scope 1 whilst business use for private cars would ordinarily be scope 3, however it is not considered practical to separate out and in order to provide a valid year on year comparison the total cost has been included in scope 1.

# **Caddick Group PLC**

## **Directors' report for the year ended 31 August 2020 (continued)**

### **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.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

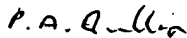
### **Employee involvement**

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units, and of the group as a whole.

### **Prior year restatement**

The prior year figures for turnover, cost of sales and other operating income have been restated to reflect a reclassification of net rental income from investment properties and electricity generation income as detailed in note 33.

By order of the Board



**P A Bullers**  
**Company Secretary**

19 May 2021

Registered Office:  
Castlegarth Grange  
Scott Lane, Wetherby  
West Yorkshire, LS22 6LH

# Caddick Group PLC

## Independent auditors' report to the members of Caddick Group PLC

### Report on the financial statements

#### **Opinion**

In our opinion, Caddick Group PLC's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 August 2020 and of the group's profit and cash flows 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 consolidated and company balance sheets as at 31 August 2020; the consolidated profit and loss account, the consolidated statement of cash flows, and the consolidated and company statements 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 group 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 where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and 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 Group PLC

## Independent auditors' report to the members of Caddick Group PLC (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 2020 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 group and company and their 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 Statement of directors' responsibilities, 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 group's and 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 group or 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 Group PLC

## Independent auditors' report to the members of Caddick Group PLC (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

19 May 2021

## Caddick Group PLC

### Consolidated profit and loss account for the year ended 31 August 2020

	Note	2020 £'000	2019 (restated) £'000
<b>Turnover</b> including share of associates and joint ventures	5	<b>298,667</b>	208,676
Less: share of turnover of associates and joint ventures	16	(43)	(9,056)
<b>Group turnover</b>	8	<b>298,624</b>	199,620
Cost of sales		(261,055)	(178,497)
<b>Gross profit</b>		<b>37,569</b>	21,123
Administrative expenses		(22,676)	(18,155)
Other operating income	6	690	4,997
<b>Group operating profit</b>	7	<b>15,583</b>	7,965
(Expense) / income from interests in associates, joint ventures and other fixed asset investments	10	(224)	2,548
<b>Profit before interest and taxation</b>		<b>15,359</b>	10,513
Interest receivable and similar income	11	900	569
Interest payable and similar expenses	12	(622)	(472)
<b>Profit before taxation</b>	8	<b>15,637</b>	10,610
Tax on profit	13	(3,978)	(1,036)
<b>Profit for the financial year</b>		<b>11,659</b>	9,574
<b>Profit attributable to:</b>			
Owners of the parent		11,195	8,270
Non-controlling interests		464	1,304
		<b>11,659</b>	9,574

All activities in the current and prior financial year are from continuing operations.

The prior year figures for turnover, cost of sales and other operating income have been restated, as disclosed in note 33.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The loss for the Company for the year was £348,000 (2019: profit of £116,000).

# Caddick Group PLC

## Consolidated balance sheet as at 31 August 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	14	136	57
Tangible assets	15	47,352	48,601
Investments : investment in associates and joint ventures	16	1,804	1,821
Investments : other investments	16	3,042	3,053
		<b>52,334</b>	<b>53,532</b>
<b>Current assets</b>			
Stocks	17	30,561	39,405
Debtors	18	69,937	50,914
Cash at bank and in hand		28,349	14,933
		<b>128,847</b>	<b>105,252</b>
<b>Creditors: amounts falling due within one year</b>	19	<b>(63,504)</b>	<b>(51,550)</b>
<b>Net current assets</b>		<b>65,343</b>	<b>53,702</b>
<b>Total assets less current liabilities</b>		<b>117,677</b>	<b>107,234</b>
<b>Creditors: amounts falling due after more than one year</b>	20	<b>(10,339)</b>	<b>(10,534)</b>
<b>Provisions for liabilities</b>	21	<b>(7,757)</b>	<b>(7,742)</b>
<b>Net assets</b>	8	<b>99,581</b>	<b>88,958</b>
<b>Capital and reserves</b>			
Called-up share capital	23	72	72
Other reserves	24	1,941	1,941
Cost of own shares held by Employee Trust	25	(1,451)	-
Retained earnings		90,769	79,159
<b>Equity attributable to owners of the parent</b>		<b>91,331</b>	<b>81,172</b>
Non-controlling interests		8,250	7,786
<b>Total equity</b>		<b>99,581</b>	<b>88,958</b>

The financial statements on pages 13 to 48 were approved by the board of directors on 19 May 2021 and were signed on its behalf by:

*P. A. Bullers*

P A Bullers  
Director

# Caddick Group PLC

## Company balance sheet as at 31 August 2020

Registered number: 02065043

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	15	-	-
Investments	16	8,405	8,330
		<b>8,405</b>	<b>8,330</b>
<b>Current assets</b>			
Debtors	18	15,394	32,923
Cash at bank and in hand		7,282	1,938
		<b>22,676</b>	<b>34,861</b>
<b>Creditors: amounts falling due within one year</b>	19	<b>(15,927)</b>	<b>(25,153)</b>
<b>Net current assets</b>		<b>6,749</b>	<b>9,708</b>
<b>Total assets less current liabilities</b>		<b>15,154</b>	<b>18,038</b>
<b>Provisions for liabilities</b>	21	<b>(3,300)</b>	<b>(4,800)</b>
<b>Net assets</b>		<b>11,854</b>	<b>13,238</b>
<b>Capital and reserves</b>			
Called-up share capital	23	72	72
Cost of own shares held by Employee Trust	25	(1,451)	-
Retained earnings		13,233	13,166
<b>Total equity</b>		<b>11,854</b>	<b>13,238</b>

The financial statements on pages 13 to 48 were approved by the board of directors on 19 May 2021 and were signed on its behalf by:

*P. A. Bullers*

P A Bullers  
Director

# Caddick Group PLC

## Consolidated statement of changes in equity for the year ended 31 August 2020

	Called-up share capital £'000	Other reserves (note 24) £'000	Cost of own shares held by Employee Trust £'000	Retained earnings £'000	Total £'000	Non- controlling interest £'000	Total equity £'000
Balance as at 1 September 2018	72	1,941	-	71,389	73,402	6,482	79,884
Profit for the financial year	-	-	-	8,270	8,270	1,304	9,574
Total comprehensive income for the year	-	-	-	8,270	8,270	1,304	9,574
Dividends paid (note 26)	-	-	-	(500)	(500)	-	(500)
Total transactions with owners, recognised directly in equity	-	-	-	(500)	(500)	-	(500)
Balance as at 31 August 2019 as restated (note 33)	72	1,941	-	79,159	81,172	7,786	88,958
<b>Balance as at 1 September 2019</b>	<b>72</b>	<b>1,941</b>	<b>-</b>	<b>79,159</b>	<b>81,172</b>	<b>7,786</b>	<b>88,958</b>
<b>Profit for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,195</b>	<b>11,195</b>	<b>464</b>	<b>11,659</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,195</b>	<b>11,195</b>	<b>464</b>	<b>11,659</b>
<b>Dividends paid (note 26)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Purchase of own shares by Employee Trust (note 25)</b>	<b>-</b>	<b>-</b>	<b>(1,451)</b>	<b>415</b>	<b>(1,036)</b>	<b>-</b>	<b>(1,036)</b>
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(1,451)</b>	<b>415</b>	<b>(1,036)</b>	<b>-</b>	<b>(1,036)</b>
<b>Balance as at 31 August 2020</b>	<b>72</b>	<b>1,941</b>	<b>(1,451)</b>	<b>90,769</b>	<b>91,331</b>	<b>8,250</b>	<b>99,581</b>

## Caddick Group PLC

### Company statement of changes in equity for the year ended 31 August 2020

	Called-up share capital £'000	Cost of own shares held by Employee Trust £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 September 2018	72	-	13,550	13,622
Profit for the financial year	-	-	116	116
<b>Total comprehensive income for the year</b>	<b>72</b>	<b>-</b>	<b>116</b>	<b>116</b>
Dividends paid (note 26)	-	-	(500)	(500)
<b>Total transactions with owners, recognised</b>	<b>-</b>	<b>-</b>	<b>(500)</b>	<b>(500)</b>
Balance as at 31 August 2019	<b>72</b>	<b>-</b>	<b>13,166</b>	<b>13,238</b>
<b>Balance as at 1 September 2019</b>	<b>72</b>	<b>-</b>	<b>13,166</b>	<b>13,238</b>
<b>Loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>(348)</b>	<b>(348)</b>
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(348)</b>	<b>(348)</b>
Dividends paid (note 26)	-	-	-	-
Purchase of own shares by Employee Trust (note 25)	-	(1,451)	415	(1,036)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>(1,451)</b>	<b>415</b>	<b>(1,036)</b>
<b>Balance as at 31 August 2020</b>	<b>72</b>	<b>(1,451)</b>	<b>13,233</b>	<b>11,854</b>

# Caddick Group PLC

## Consolidated statement of cash flows for the year ended 31 August 2020

	Note	2020 £'000	2019 £'000
<b>Net cash inflow / (outflow) from operating activities</b>	30	18,254	(13,128)
<b>Cash flow from investing activities</b>			
Purchase of additional shares in joint venture undertaking		-	(250)
Sale of investment in joint venture undertaking		-	1,740
Purchase of tangible fixed assets		(1,746)	(6,314)
Purchase of intangible fixed assets		(150)	(55)
Purchase of shares in subsidiaries		(1,575)	-
Sale of tangible fixed assets		23	120
Sale of intangible fixed assets		-	15
Interest received		900	569
Dividends received from other investments	10	1	4
<b>Net cash used in investing activities</b>		<b>(2,547)</b>	<b>(4,171)</b>
<b>Cash flow from financing activities</b>			
Purchase of own shares by Employee Trust	25	(1,036)	-
Loan repayments		(350)	(600)
Loans raised		-	4,740
Capital element of hire purchase repayments		(325)	(308)
Dividends paid to owners of the parent	26	-	(500)
Interest paid		(580)	(422)
<b>Net cash (used in) / generated from financing activities</b>		<b>(2,291)</b>	<b>2,910</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>13,416</b>	<b>(14,389)</b>
Cash and cash equivalents at the beginning of the year		14,933	29,322
<b>Cash and cash equivalents at the end of the year</b>		<b>28,349</b>	<b>14,933</b>

# **Caddick Group PLC**

## **Notes to the financial statements for the year ended 31 August 2020**

### **1 General information**

The company is an unquoted and unlisted public company limited by shares incorporated and domiciled in England. The address of its registered office is Castlegarth Grange, Scott Lane, Wetherby, West Yorkshire, LS22 6LH.

### **2 Statement of compliance**

The group and individual financial statements of Caddick Group PLC 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, except for the treatment of grant income in respect of development properties referred to below.

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

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

#### **Basis of preparation**

These consolidated and separate financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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 group and company 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.

#### **Basis of consolidation**

The financial statements of the group comprise a consolidation of the financial statements of the parent company and its subsidiaries, all of which are prepared up to 31 August, except for the Leeds Cricket, Football and Athletic Company Limited, which prepares financial statements to 31 October. This subsidiary is consolidated on the basis of interim financial statements made up to 31 August. The results of subsidiary undertakings are consolidated from the date on which control passes. Intra-group sales and profits are eliminated fully on consolidation. The difference between the consideration paid for the acquisition of subsidiary undertakings and the fair value of the net assets acquired have been capitalised and amortised through the profit and loss account over the estimated useful life.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

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

#### **Basis of consolidation (continued)**

The financial statements include the group's share of the results and net assets of associated and joint venture undertakings, under the equity method of accounting, where those results and net assets are material. Results are based on interim accounts where the associated undertaking prepares statutory financial statements to a different year-end to the group, as detailed in note 16. Dividends received from associated undertakings are accounted for when received.

#### **Turnover**

Turnover includes the value of work done on construction contracts, sales of development properties, rental income from investment properties, electricity generation income and the invoiced value of other sales, all excluding value added tax.

Sales and purchases of property (investment and development) are accounted for on the date of unconditional exchange of contracts.

Income from professional sporting activities is recognised either over the period of the playing season as games are played (for gate, match and other event day revenues), over the duration of the contracts for sponsorship deals and over the season for distributions from Super League.

#### **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.

Contract work profit is recorded at cost incurred to date at the attributable profit margin, less provision for known losses and contingencies. The net amount receivable at the year-end is included in trade debtors.

#### **Taxation**

The charge for taxation is based on the result for the year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

#### **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.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

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

#### Deferred income

Deferred income, arising from team sponsorship monies received in advance, is released to the profit and loss account over the life of the sponsorship agreements.

Grants receivable in relation to capital expenditure are credited to a deferred income account and amortised over the useful economic life of the assets concerned.

#### Other operating income

Other income received, including rental income received from development stock and grants receivable under the Coronavirus Job Retention Scheme (CJRS), is recognised on an accruals basis.

#### Interest payable and receivable

Interest is recognised on an accruals basis.

#### Cost of player registrations

The cost of purchased players' registrations is capitalised as intangible fixed assets and amortised over the period of the respective player's contract. Profits or losses on the sale of a player represent the transfer fee receivable, net of any transaction costs, less the unamortised cost of the player's original registration.

Where the transfer contract specifies that additional fees are due, contingent on a player achieving a specific number of appearances for his new club or some other contingent event set out in the transfer contract, these additional amounts are accounted for in the year they fall due.

#### Tangible fixed assets

Fixed assets are carried in the balance sheet at original cost or valuation, with the exception of investment properties, which are included in the balance sheet at open market value. No depreciation is provided in respect of freehold investment properties. The directors consider that this accounting policy is necessary for the financial statements to show a true and fair view. Depreciation is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot be separately identified or quantified. Movements on revaluation are taken to the profit and loss account. Any impairments in value below original cost are charged to the profit and loss account.

Freehold buildings comprise the Headingley sports complex. Long leasehold buildings comprise the Group's head office in Wetherby. Depreciation is provided on both the freehold and long leasehold buildings so as to write off the carrying value over an estimated useful life of 50 years. Freehold land is not depreciated.

Depreciation is provided on other tangible fixed assets at rates estimated to write off the cost over their estimated useful life as follows:

Plant (other than floodlights), machinery, equipment and vehicles	3-5 years
Floodlights (included within plant)	30 years
Wind turbines (included within plant)	20 years

As permitted by the transitional provisions of FRS 102, the group has elected not to adopt a policy of revaluation of tangible fixed assets other than investment properties.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

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

#### Investments

Investments in subsidiaries and joint venture undertakings are valued at cost less provision for any impairment in value. Listed investments are stated at market value, with gains and losses recognised in the profit and loss account.

#### Stocks

Stocks comprise developments in progress, land held for development or sale, options to purchase land and planning promotion agreements. Options to purchase land are agreements that the group has entered into with the landowners whereby the group has the option to purchase the land within a limited time frame. The landowners are not generally permitted to sell to any other party during this period, unless agreed to by the group. Within the time frame the group promotes the land through the planning process at its expense in order to gain planning permission. Should the group be successful in obtaining planning permission it would trigger the option to purchase and subsequently acquire the land. Planning promotion agreements are agreements that the group has entered into with the landowners, whereby the group acts as an agent to the landowners in exchange for a fee of a set percentage of the proceeds of the eventual sale. The group promotes the land through the planning process at its own expense, but in most instances the planning promotion agreements allow for the group to be reimbursed certain expenditure following the conclusion of a successful sale.

Development properties, land held for development, option costs and promotions costs are all included in the financial statements at the lower of cost and net realisable value. Cost includes interest attributable to individual projects, where appropriate. Impairment reviews are considered on a site-by-site or individual development basis, with write-downs or reversals made to ensure that stock is then stated at the lower of cost or net realisable value. Net realisable value is considered in the light of progress made in the planning process, feedback from local planning officers, development appraisals and other external factors that might be considered likely to influence the eventual outcome. Where it is considered that no future economic benefit will arise, costs are written off to the profit and loss account. The cost of development land is stated after deduction of certain government grants that relate directly to the funding of such costs. The directors believe that the treatment adopted is necessary for the financial statements to show a true and fair view. The effect of this treatment is to reduce the carrying value of development land in the balance sheet by £1,308,000 (2019: £2,688,000).

Raw materials, consumables and goods for re-sale are stated at the lower of cost and net realisable value. Cost of goods for re-sale is the suppliers' invoice value. Net realisable value is based on estimated selling price allowing for all further costs of disposal.

#### 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 and group operate 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 cost of providing pension benefits is charged to the profit and loss account when payable.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

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

#### Financial instruments

The group 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.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Share based payments

The group operates cash-settled, share-based compensation plans for certain employees in the form of stock appreciation rights issued in a subsidiary undertaking.

The fair value of the employee services received in exchange for these awards is recognised as an expense with a corresponding liability in the group financial statements. The total amount to be expensed is determined by reference to the fair value of the awards granted. At the end of each reporting period, the group revises its estimate of the fair value of the awards and recognises the impact in the profit and loss account.

The company treats the fair value of the awards as a capital contribution to the subsidiary undertaking in exchange for the employee services received. This is recognised as an increase to the investment in subsidiary undertakings, with a corresponding credit to liabilities in the parent entity financial statements.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (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 group and 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:

#### Valuation of investment properties

The group makes an annual estimate of the open market value of investment properties. Management takes into account advice from third parties, including valuations performed externally for loan security purposes, and by using all knowledge and information available to them, including market yields, tenant covenant strength, the availability of suitable purchasers and the nature of the asset held.

#### Deferred tax

The group has unutilised tax losses. Recognition of these tax losses as a deferred tax asset is only done when the group has a reasonable certainty of achieving a taxable profit for the following financial year, based on post balance sheet events such as development profits generated or unconditional contracted for and realised investment gains.

#### Inventory provisioning

The group owns a number of development properties, some of which are written down to net realisable value and has also incurred planning promotion costs which are held at cost, both in accordance with the accounting policy. When calculating the provision, management considers the nature and condition of the property and its current saleability and estimated market value by reference to external advice and valuations performed for banking purposes.

#### Impairment of debtors

The group and company make an estimate of the recoverable value of trade and other debtors (including amounts due from group undertakings in the case of the company). When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

#### 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

The group's entire turnover arises in the United Kingdom.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 6 Other operating income

	2020	2019 (restated)
	£'000	£'000
Gross rents and insurances demanded	540	1,550
Letting fees, insurances paid and other rental costs	(35)	(259)
Rents received, net of rental expenses	505	1,291
Net car parking income	135	589
Other income	-	6
Grants receivable (CJRS)	1,732	-
Amortisation of grants receivable (note 21)	65	78
Unrealised (deficit) / surplus on revaluation of investment properties (note 15)	(1,747)	3,033
	<b>690</b>	<b>4,997</b>

The prior year figure has been restated to reflect the reclassification of net rental income from investment properties and net electricity generation income, as per note 33.

### 7 Group operating profit

The operating profit is stated after charging / (crediting) the following:

	2020	2019
	£'000	£'000
Depreciation charge for the year (note 15) :		
- owned tangible fixed assets	1,775	996
- assets under hire purchase agreements	143	209
Profit on disposal of tangible fixed assets	-	(21)
Profit on disposal of intangible fixed assets	-	(4)
Amortisation of intangible fixed assets (note 14)	71	61
Provision / (reversal) of stock net realisable value provision	8	(1,843)
Amortisation of deferred income (note 21)	(65)	(78)
Provision for share based payments (note 21)	1,495	800
Auditors' remuneration (fees payable to the company's auditor):		
- audit	270	171
- other services primarily relating to tax services	90	78
Staff costs (including directors' emoluments) (see note 9)	26,738	25,864

The group audit fee disclosed above includes £5,000 (2019: £5,000) in respect of the parent company.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 8 Segmental analysis

	Turnover		Profit / (loss) before tax		Non-controlling interests	
	2020	2019 (restated)	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Continuing operations</b>						
Construction	123,900	95,012	2,139	2,625	(215)	(110)
Property development / investment	166,034	94,236	15,112	8,817	(605)	(1,067)
Professional sporting activities	8,690	10,372	(1,614)	(832)	356	(127)
	<b>298,624</b>	<b>199,620</b>	<b>15,637</b>	<b>10,610</b>	<b>(464)</b>	<b>(1,304)</b>

Net assets :	Attributable to shareholders		Attributable to non- controlling interests		Total	
	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Construction	14,017	13,696	544	328	14,561	14,024
Property development / investment	51,560	40,478	3,396	2,792	54,956	43,270
Head office (see note below)	13,122	13,238	-	-	13,122	13,238
Construction and property development	78,699	67,412	3,940	3,120	82,639	70,532
Professional sporting activities	12,632	13,760	4,310	4,666	16,942	18,426
	<b>91,331</b>	<b>81,172</b>	<b>8,250</b>	<b>7,786</b>	<b>99,581</b>	<b>88,958</b>

Information concerning associated undertakings, which operate in the property development segments, is disclosed in note 16.

The parent company provides resource principally in the areas of construction and property development / investment but a breakdown between these two segments is not possible.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 9 Employees and directors

	2020 £'000	2019 £'000
<b>Staff costs comprise:</b>		
Wages and salaries	23,142	22,311
Social security costs	2,650	2,619
Other pension costs (see note 29)	1,061	934
	<b>26,853</b>	<b>25,864</b>

	2020 £'000	2019 £'000
<b>Staff costs include the following in respect of directors' emoluments:</b>		
Aggregate emoluments	701	778
Contributions to money purchase pension schemes	14	20
	<b>715</b>	<b>798</b>

	2020 £'000	2019 £'000
<b>The above includes the following in respect of the highest paid director:</b>		
Aggregate emoluments	337	426
Contributions to money purchase pension schemes	-	-
	<b>337</b>	<b>426</b>

The average monthly number of persons (including executive directors) employed by the group during the year was:

	2020 Number	2019 Number
Construction and property development	306	284
Professional sporting activities (including part-time match-day staff)	204	180
	<b>510</b>	<b>464</b>

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 10 (Expense) / income from interests in associates, joint ventures and other fixed asset investments

	2020 £'000	2019 £'000
Share of operating (losses) / profits of associates and joint venture undertakings (note 16)	(214)	480
Profit on disposal of interest in joint venture (note 16)	-	2,083
Dividends from other investments	1	4
Unrealised deficit on valuation of listed investments (note 16)	(11)	(19)
	(224)	2,548

### 11 Interest receivable and similar income

	2020 £'000	2019 £'000
Bank interest	50	92
Interest on loans to joint venture undertakings	724	448
Other interest	126	29
	900	569

### 12 Interest payable and similar expenses

	2020 £'000	2019 £'000
On bank loans and overdrafts	324	288
On other loans	203	-
Refinancing costs	1	111
Hire purchase interest	18	21
Other interest	34	-
	580	420
Share of interest payable and similar charges of associated and joint venture undertakings (note 16)	42	52
	622	472

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 13 Tax on profit

	2020 £'000	2019 £'000
<b>Current tax:</b>		
UK corporation tax	3,506	1,836
Adjustment in respect of previous years	(156)	(707)
	3,350	1,129
Share of taxation of associated and joint venture undertakings (note 16)	33	82
<b>Total current tax</b>	<b>3,383</b>	<b>1,211</b>
<b>Deferred tax (note 22)</b>		
Current year charge	398	324
Adjustment in respect of previous years	197	(499)
<b>Total deferred tax</b>	<b>595</b>	<b>(175)</b>
<b>Tax charge on profit</b>	<b>3,978</b>	<b>1,036</b>

The current corporation tax charge on the profit before taxation differs from the standard UK rate of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
<b>Profit before taxation</b>	<b>15,637</b>	<b>10,610</b>
Profit before taxation multiplied by the standard effective rate of corporation tax in the UK of 19% (2019: 19%)	2,971	2,016
Effects of:		
Net non-taxable income and disallowable expenditure	550	348
Losses carried down / (utilisation of brought down losses)	60	(29)
Capital losses not provided	135	(89)
Other short-term timing differences	1	(4)
Deferred tax not provided	225	-
Impact of rate changes	4	3
Other adjustments	(9)	(3)
Adjustment to tax charge in respect of previous years	41	(1,206)
<b>Total tax charge</b>	<b>3,978</b>	<b>1,036</b>

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 14 Intangible assets

	<b>Player registrations £'000</b>
<b>Cost</b>	
At 1 September 2019	205
Additions	150
<b>At 31 August 2020</b>	<b>355</b>
<b>Accumulated amortisation</b>	
At 1 September 2019	148
Charge for the year	71
<b>At 31 August 2020</b>	<b>219</b>
<b>Net book amount</b>	
<b>At 31 August 2020</b>	<b>136</b>
At 31 August 2019	57

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 15 Tangible assets

Group	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Freehold investment properties £'000	Plant, machinery, equipment and vehicles £'000	Total £'000
<b>Cost or valuation</b>					
At 1 September 2019	14,615	1,127	25,142	18,622	59,506
Additions	7	(5)	231	2,206	2,439
Reclassification	26	-	-	(26)	-
Disposals	-	-	-	(55)	(55)
Revaluation	-	-	(1,747)	-	(1,747)
<b>At 31 August 2020</b>	<b>14,648</b>	<b>1,122</b>	<b>23,626</b>	<b>20,747</b>	<b>60,143</b>
<b>Accumulated depreciation</b>					
At 1 September 2019	4,583	205	-	6,117	10,905
Charge for the year	337	16	-	1,565	1,918
Disposals	-	-	-	(32)	(32)
<b>At 31 August 2020</b>	<b>4,920</b>	<b>221</b>	<b>-</b>	<b>7,650</b>	<b>12,791</b>
<b>Net book amount</b>					
<b>At 31 August 2020</b>	<b>9,728</b>	<b>901</b>	<b>23,626</b>	<b>13,097</b>	<b>47,352</b>
At 31 August 2019	10,032	922	25,142	12,505	48,601

The net book amount of tangible assets includes assets acquired under hire purchase agreements amounting to £1,038,000 (2019: £525,000) comprising plant and machinery of £915,000 (2019: £390,000) and motor vehicles of £123,000 (2019: £135,000).

The freehold land and buildings are included at 31 August 1997 valuation plus costs incurred since that date, less depreciation. The valuation was carried out by Weatherall, Green and Smith, Chartered Surveyors, and was based on depreciated replacement cost.

The directors revalued the freehold investment properties on 31 August 2020 at open market value on an existing use basis. The valuation includes properties valued at £18,620,000 which were subject to external desktop valuations by qualified professionals, on which the directors based their valuation for those properties.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 15 Tangible assets (continued)

Investment properties and part of the freehold land and buildings included in the total above are let to tenants. The minimum future lease payments receivable under these leases are:

<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	2,643	2,747
Later than one year and not later than five years	6,945	7,896
Later than five years	951	2,586
	<b>10,539</b>	<b>13,229</b>

#### Company

	<b>Equipment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>		
At 1 September 2019 and 31 August 2020	12	12
<b>Accumulated depreciation</b>		
At 1 September 2019	12	12
Charge for the year	-	-
<b>At 31 August 2020</b>	<b>12</b>	<b>12</b>
<b>Net book amount</b>		
At 31 August 2020	-	-
At 31 August 2019	-	-

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 16 Investments

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Shares in group undertakings (subsidiaries)	-	-	8,405	8,330
Listed investments	42	53	-	-
Other investments	3,000	3,000	-	-
	<b>3,042</b>	<b>3,053</b>	<b>8,405</b>	<b>8,330</b>
Share of participating interests (associates and joint venture undertakings)	1,804	1,821	-	-
	<b>4,846</b>	<b>4,874</b>	<b>8,405</b>	<b>8,330</b>

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

The other investment represents an equity contribution to the funding of one of the Group's forward-funded development projects from land sale proceeds received during the year. Following Practical Completion of that development the contribution, together with the development profit, will be converted to a minority shareholding in the parent undertaking of the company which owns the completed property.

The movement in investments is as follows:

	Group Net assets (included above) £'000	Group Net liabilities (included note 21) £'000	Group Total £'000	Company £'000
At 1 September 2019	4,874	(704)	4,170	8,330
Provision for cost of put option in respect of shares in subsidiary undertaking (note 21)	-	-	-	75
Unrealised deficit on valuation of listed investments	(11)	-	(11)	-
Joint venture undertaking dissolved during the year	-	707	707	-
Share of post-tax profits / (losses) of associates and joint venture undertakings	(17)	(272)	(289)	-
<b>At 31 August 2020</b>	<b>4,846</b>	<b>(269)</b>	<b>4,577</b>	<b>8,405</b>

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 16 Investments (continued)

The company's subsidiary undertakings, all of which are wholly owned (except when otherwise stated) and registered in England (having registered office address of Castlegarth Grange, Scott Lane, Wetherby, LS22 6LH, except where otherwise stated), are listed below.

	<b>Nature of business (and address of registered office, if different to the above)</b>
<b>Directly held subsidiaries</b>	
Caddick Construction Limited	Construction and civil engineering contracting (Calder Grange, Weeland Road, Knottingley, WF11 8DA)
Caddick Developments Limited	Property development
Caddick Living Limited	Property development
Delta Park Developments Limited	Property development
Caddick Renewables Limited	Renewable energy production
Leeds Rugby Limited (76% owned)	Holding company (The Pavilion, St Michaels Lane, Headingley, Leeds, LS6 3BR)
Caddick (Runcorn) Limited	Dormant
<b>Indirectly held subsidiaries (held by one of the above)</b>	
Sandtoft Developments Limited	Property investment
Point 23 Limited	Property investment
Caddick (Hove) Limited	Property investment
Caddick (Irlam) Limited	Property investment
Caddick (Rose Wharf) Limited	Property investment
Caddick (York) Limited	Property investment
Caddick (Scarborough) Limited	Property development
Caddick (JPC Developments) Limited	Property development
Caddick (Harrogate) Limited	Property development
Quarry Hill Developments Limited	Property development
Caddick Developments (North) Limited (79% owned)	Property development
Caddick (Knowsley) Limited	Property development
Caddick (Knottingley) Limited	Property development
Caddick (Columbus) Limited	Property development
Caddick (London Residential) Limited	Property development
Oakgate Group Limited	Property development
Oakgate (York) Limited	Holding company
Oakgate (Monks Cross) Limited	Property development

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 16 Investments (continued)

	Nature of business (and address of registered office, if different to the above)
<b>Indirectly held subsidiaries (held by one of the above) (continued)</b>	
Oakgate Central York Limited (80% owned)	Property development
Oakgate (Rotherham) LLP	Property investment
Oakgate (Retail) Limited	Property development
Oakgate Project Management Limited	Property development
Oakgate Yorkshire Limited	Property development
Oakgate (Roadside) Limited	Property development
Oakgate City Living Limited (80% owned – see note 31)	Property development
Swinegate Management Services Limited	Property management
Scarborough Business Park Management Company Limited	Property management
Moda Living Limited (75% owned)	Property development
Moda Living (Angel Gardens) Limited (75% owned)	Property development
Moda Living (Princes Dock) Limited (75% owned)	Property development
Moda Living (Broad Street) Limited (75% owned)	Property development
Moda Living (Holland Street) Limited (75% owned)	Property development
Moda Living (Great Charles Street) Limited (75% owned)	Property development
Moda Living (Sackville Road) Limited (75% owned)	Property development
Moda Living (SoYo) Limited (75% owned)	Property development
Moda Living (Woking Gateway) Limited (75% owned)	Property development
Moda Living (Ilford Island) Limited (75% owned)	Property development
Moda Living (Springside Block E) Limited (75% owned)	Property development
Moda Living (Heworth Green) Limited (75% owned)	Property development
Moda Life Limited (75% owned)	Property management
Moda Life Management Limited (50% owned)	Property management
Paul Caddick (Agricultural) Limited	Agriculture
Caddick Civil Engineering Limited (75% owned)	Civil engineering contracting (Calder Grange, Weeland Road, Knottingley, WF11 8DA)
Caddick Construction (NW) Limited (90% owned)	Construction and civil engineering contracting (Calder Grange, Weeland Road, Knottingley, WF11 8DA)
The Leeds Cricket, Football and Athletic Company Limited (76% owned)	Professional Rugby League and Cricket (The Pavilion, St Michaels Lane, Headingley, Leeds, LS6 3BR)
Squires Close (Sherburn) Management Company Limited	Property management (18 North Bar Within, Beverley, East Yorkshire, HU17 8AX)

# **Caddick Group PLC**

## **Notes to the financial statements for the year ended 31 August 2020 (continued)**

### **16 Investments (continued)**

#### **Indirectly held dormant subsidiaries (held by one of the above)**

Caddick (AVH Developments) Limited

Caddick (Kings' Lynn) Limited

Vineyard Gate Developments Limited

Caddick (Mill Harbour) Limited

Caddick (Kenilworth) Limited

The Knowsley Development Partnership Limited

Penryhn Court Management Company Limited

Penryhn Road Management Company Limited

Caddick (Newburn) Limited

Quarry Hill (Management) Limited

Caddick (Kenilworth) Limited

Headingley PLC

Headingley Stadium Management Limited

Oakgate (Bradford) Limited

Oakgate Shops Limited

Oakgate (Harrogate) Limited

Oakgate Offices Limited

Oakgate HQ Limited

Oakgate Land Limited

Caddick (Fulham) Limited

Caddick (Fife Road) Limited (51% owned)

Bo Living Limited

Bo Construction Limited

Bo Housing Limited

Moda Works Limited (75% owned)

Cross Point Wakefield Management Company Limited

Leeds Rugby Club Limited (76% owned) (The Pavilion, St Michaels Lane, Headingley, Leeds, LS6 3BR)

Leeds Rugby League Limited (76% owned) (The Pavilion, St Michaels Lane, Headingley, Leeds, LS6 3BR)

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 16 Investments (continued)

The group owns shareholdings in a number of property investment companies registered at 47 Esplanade, St. Helier, Jersey, JE1 0BD, as part of the Moda Living joint venture as detailed below. The investments are included in the group balance sheet at an aggregate cost of £250,004 plus share of retained losses based on management accounts drawn up to 31 August 2020.

Holland Street Property Company Limited	50% owned
Great Charles Street JV Company Limited	50% owned
Sackville Street Property Company Limited	50% owned
Heworth Green Property Company Limited	50% owned

The group has a 33.33% interest in C & W Property Developments LLP, a property investment partnership registered at Calder Grange, Weeland Road, Knottingley, WF11 8DA. The investment is included in the group balance sheet at a cost of £Nil plus a share of retained profits based on audited accounts drawn up to 31 August 2020. The statutory financial statements of C & W Property Developments LLP drawn up for the year ended 31 August 2020 disclosed a pre-tax loss of £233,000 (2019: profit of £461,000) and net assets of £855,000 (2019: £1,088,000).

The group owns a 50% shareholding in Caddick (City One) Limited, a property development company registered at Castlegarth Grange, Scott Lane, Wetherby, LS22 6LH. The investment is included in the group balance sheet at a cost of £50 plus a share of retained profits based on audited accounts drawn up to 31 August 2020. The statutory financial statements of Caddick (City One) Limited drawn up for the year ended 31 August 2020 disclosed a pre-tax profit of £345,000 (2019: £859,000) and net assets of £3,037,000 (2019: £2,758,000).

The group owns a 50% shareholding in Headingley North-South Stand Limited, a property development company registered at Emerald Headingley Stadium, St. Michael's Lane, Headingley, Leeds, LS6 3BR and its wholly owned subsidiaries Headingley North-South Stand (Rugby) Limited and Headingley North-South Stand (Cricket) Limited. The investment is included in the group balance sheet at a cost of £50 plus a share of retained profits based on management accounts drawn up to 31 August 2020. The statutory financial statements of Headingley North-South Stand Limited drawn up for the period ended 31 October 2020 disclosed a pre-tax profit of £Nil and net assets of £Nil.

The group owns a 50% shareholding in Airebank Developments No.1 Limited, registered at Millshaw, Ring Road, Leeds, LS11 8EG, a property development company. The investment is included in the group balance sheet at cost of £150,000 (2019: £150,000) plus share of retained losses based on management accounts drawn up to 31 August 2020. The statutory financial statements of Airebank Developments No.1 Limited drawn up for the period ended 31 March 2020 disclosed a pre-tax loss of £8,000 (2019: loss of £2,000) and net liabilities of £14,000 (2019: £6,000).

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 16 Investments (continued)

The group's share of associates and joint ventures can be summarised as follows:

2020 Business activity	Moda Living joint ventures £'000	C & W Property Developments LLP £'000	Headingley North- South Stand Limited and subsidiaries £'000	Caddick (City One) Limited £'000	Airebank Developments No.1 Limited £'000	Total £'000
	Property investment	Property investment	Property investment	Property development	Property development	
Turnover	-	-	43	-	-	43
Operating (loss) / profit	(309)	(92)	-	197	(10)	(214)
Interest payable and similar charges	-	(18)	-	(24)	-	(42)
(Loss) / profit before taxation	(309)	(110)	-	173	(10)	(256)
Taxation	-	-	-	(33)	-	(33)
<b>(Loss) / profit after taxation</b>	<b>(309)</b>	<b>(110)</b>	<b>-</b>	<b>140</b>	<b>(10)</b>	<b>(289)</b>
Fixed assets	12,699	733	18,708	-	-	32,140
Current assets	1,226	30	391	5,226	249	7,122
<b>Gross assets</b>	<b>13,925</b>	<b>763</b>	<b>19,099</b>	<b>5,226</b>	<b>249</b>	<b>39,262</b>
Liabilities due within one year	(14,187)	(478)	(391)	(3,707)	(256)	(19,019)
Liabilities due after one year	-	-	(18,708)	-	-	(18,708)
<b>Gross liabilities</b>	<b>(14,187)</b>	<b>(478)</b>	<b>(19,099)</b>	<b>(3,707)</b>	<b>(256)</b>	<b>(37,727)</b>
Net assets	-	285	-	1,519	-	1,804
Net liabilities (note 21)	(262)	-	-	-	(7)	(269)

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 16 Investments (continued)

2019

Business activity	Moda Living joint ventures £'000	C & W Property Developments LLP £'000	Headingley North- South Stand Limited and subsidiaries £'000	Caddick (City One) Limited £'000	Airebank Developments No.1 Limited and subsidiary £'000	Total £'000
	Property investment	Property investment	Property development	Property development	Property development	
Turnover	-	-	9,056	-	-	9,056
Operating (loss) / profit	(188)	201	-	467	-	480
Interest payable and similar charges	-	(15)	-	(37)	-	(52)
(Loss) / profit before taxation	(188)	186	-	430	-	428
Taxation	-	-	-	(82)	-	(82)
<b>(Loss) / profit after taxation</b>	<b>(188)</b>	<b>186</b>	<b>-</b>	<b>348</b>	<b>-</b>	<b>346</b>
Fixed assets	11,276	800	18,708	-	-	30,784
Current assets	149	24	733	5,272	415	6,593
<b>Gross assets</b>	<b>11,425</b>	<b>824</b>	<b>19,441</b>	<b>5,272</b>	<b>415</b>	<b>37,377</b>
Liabilities due within one year	(11,378)	(429)	(733)	(3,893)	(1,119)	(17,552)
Liabilities due after one year	-	-	(18,708)	-	-	(18,708)
<b>Gross liabilities</b>	<b>(11,378)</b>	<b>(429)</b>	<b>(19,441)</b>	<b>(3,893)</b>	<b>(1,119)</b>	<b>(36,260)</b>
Net assets	47	395	-	1,379	-	1,821
Net liabilities (note 21)	-	-	-	-	(704)	(704)

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 17 Stocks

Group	2020 £'000	2019 £'000
Land held for development and development properties	30,539	39,380
Raw materials, consumables and goods for re-sale	22	25
	30,561	39,405

The cost of development properties is stated after deducting grant income of £1,309,000 (2019: £2,688,000) and includes interest capitalised of £166,000 (2019: £340,000). The company has no stocks or work in progress.

Development properties amounting to £2,776,000 (2019: £2,851,000) included in the total above are let to tenants. The minimum future lease payments receivable under these leases are:

Group	2020 £'000	2019 £'000
Not later than one year	271	226
Later than one year and not later than five years	633	541
Later than five years	107	149
	1,011	916

### 18 Debtors

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Due within one year</b>				
Trade debtors	20,258	11,926	-	-
Amounts recoverable on contracts	18,261	13,433	-	-
Amounts owed by group undertakings	-	-	15,104	32,671
Amounts owed by joint venture undertakings	11,818	10,403	11	-
Loan to associated undertaking	2,907	-	-	-
Corporation tax recoverable	329	419	119	40
Other debtors	2,149	6,519	160	212
Prepayments and accrued income	14,215	8,214	-	-
	69,937	50,914	15,394	32,923

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 18 Debtors (continued)

Included in prepayments and accrued income is £12,190,000 (2019: £6,285,000) in respect of development profits accrued on a number of projects whereby upon practical completion of those developments the profits will be converted into a minority shareholding in either the company which owns the completed property or the parent undertaking of that company, as referred to in note 16.

The loan of £2,907,000 is an amount due from Angel Gardens Property Company Limited and comprises capital of £2,750,000 on which interest at 12.5% amounting to £157,000 has been accrued (note 7). The loan is secured by a second charge over the Angel Gardens project and is repayable by May 2021.

Amounts owed by joint venture undertakings comprise:

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Airebank Developments Limited	-	707	-	-
Airebank Developments No.1 Limited	255	255	-	-
Caddick (City One) Limited	1,760	1,600	-	-
Headingley North-South Stand Limited	11	10	11	-
Headingley North-South Stand (Rugby) Limited	47	150	-	-
C & W Property Developments LLP	1,406	1,228	-	-
<b>Moda joint ventures</b>				
Holland Street Property Company Limited	2,560	2,061	-	-
Great Charles Street JV Company Limited	2,430	1,807	-	-
Heworth Green Property Company Limited	401	389	-	-
Sackville Street Property Company Limited	2,948	2,196	-	-
	<b>11,818</b>	<b>10,403</b>	<b>11</b>	<b>-</b>

The balances above represent the group's equity funding contribution to the respective development and investment projects.

The balances with Airebank Developments No.1 Limited, Caddick (City One) Limited, Headingley North-South Stand Limited and Headingley North-South Stand (Rugby) Limited are all unsecured and non-interest bearing. The balance with C & W Property Developments LLP is unsecured and bears interest at 3.5% over base rate. The Moda joint venture balances are all unsecured and bear interest at 8%.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

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

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loans and overdrafts (note 20)	800	700	-	-
Other loans	1,890	1,890	-	-
Payments received on account	3,071	4,419	-	-
Trade creditors	40,513	29,562	2	1
Hire purchase creditors	333	219	-	-
Amounts owed to group undertakings	-	-	15,477	24,604
Amounts owed to related undertakings	353	150	4	-
Corporation tax	760	1,564	-	34
Other taxation and social security	1,146	880	12	11
Accruals and deferred income	14,638	12,166	432	503
	<b>63,504</b>	<b>51,550</b>	<b>15,927</b>	<b>25,153</b>

The other loan is secured on a development property, is repayable on demand and bears interest at 8%.

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

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loans (secured)	9,850	10,300	-	-
Hire purchase creditors	489	234	-	-
	<b>10,339</b>	<b>10,534</b>	<b>-</b>	<b>-</b>

The bank loan is due for repayment by July 2023, is secured on a number of development and investment properties and interest is payable at 2.35% above LIBOR. The balance is reducing by quarterly payments of £200,000 (2019: £175,000) hence £800,000 (2019: £700,000) has been disclosed as due within one year under note 19 and the balance of £9,850,000 (2019: £10,300,000) included above.

Hire purchase obligations shown above which fall due between one and two years amount to £225,000 (2019: £173,000) and between two and five years amount to £264,000 (2019: £61,000). These obligations are secured on the related asset.

Loans included above and in note 19 amounting to £10,650,000 (2019: £11,000,000) are secured on investment properties and development properties included in these financial statements at an aggregate cost or valuation of £19,737,000 (2019: £19,822,000).

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 21 Provisions for liabilities

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Deferred taxation (note 22)	1,869	1,274	-	-
Grants receivable	399	464	-	-
Share-based payments	5,220	5,300	3,300	4,800
Share of net liabilities of joint venture undertakings (note 16)	269	704	-	-
	<b>7,757</b>	<b>7,742</b>	<b>3,300</b>	<b>4,800</b>

Grants receivable are in respect of the cost of improvements to the freehold land and buildings and other capital acquisitions. The movement in grants receivable is as follows:

Grants receivable	Group £'000
At 1 September 2019	464
Amortisation of grants receivable credited to profit and loss account	(65)
<b>At 31 August 2020</b>	<b>399</b>

Share-based payments relate to cash-settled transactions with directors of the subsidiary undertakings, Caddick Construction Limited and Caddick Developments (North) Limited.

Those relating to Caddick Construction Limited are in respect of 60 'B' ordinary shares, 10 'D' ordinary shares and 30 'E' ordinary shares issued in the subsidiary company (the 'B' ordinary shares being issued in accordance with section 205A of the Employment Rights Act 1996 under Employee Shareholder Status), in order to provide an incentive to these employees. On a disposal of the group or subsidiary each 'B', 'D' or 'E' ordinary shareholder is entitled to 0.25% of the growth value (being the amount in excess of the base hurdles of £7,500,000, £24,100,000 and £29,400,000 respectively). On declaration of a dividend the 'B', 'D' and '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 'B', 'D' and 'E' ordinary shares carry a put option requiring the parent company to purchase the shares upon the employee ceasing employment with the company.

Those relating to Caddick Developments (North) Limited are in respect of ordinary shares subscribed for on incorporation or subsequently transferred, to provide a long-term incentive to those employees. On a disposal the shares are valued on a prorate basis of the disposal proceeds, with no reduction for minority interest. The ordinary shares carry a put option requiring the immediate parent company, Caddick Developments Limited, to purchase the shares upon the employee ceasing employment with the company.

The liability has been calculated based on the estimated fair value of the subsidiary undertakings 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.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 21 Provisions for liabilities (continued)

The movement in share-based payments is as follows:

Share based payments	Group £'000	Company £'000
At 1 September 2019	5,300	4,800
Utilised in year	(1,575)	(1,575)
Movement during the year	1,495	75
<b>At 31 August 2020</b>	<b>5,220</b>	<b>3,300</b>

The movement in the provision of £1,495,000 (2019: £800,000) has been recognised in employee compensation.

### 22 Deferred taxation

Group	£'000
At 1 September 2019 (included in note 21)	1,274
Charged to profit and loss account (note 13)	595
<b>At 31 August 2020 (included in note 21)</b>	<b>1,869</b>

The deferred tax balance comprises:

	2020		2019	
	Amount provided £'000	Amount unprovided £'000	Amount provided £'000	Amount unprovided £'000
<b>Group</b>				
Other timing differences	(100)	-	(208)	-
Accelerated capital allowances	1,098	(42)	595	(4)
Losses carried forwards	-	(989)	-	(871)
Revalued tangible fixed assets	759	-	876	-
Capital gains, capital losses and gains rolled over	112	-	11	-
	<b>1,869</b>	<b>(1,031)</b>	<b>1,274</b>	<b>(875)</b>

The company has no liability to deferred taxation at 31 August 2020 or 31 August 2019.

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation was not substantively enacted during the financial year so deferred tax has been provided using the current rate of 19%.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 23 Called-up share capital

	2020		2019	
	Number	£'000	Number	£'000
<b>Authorised, allotted and fully paid</b>				
Ordinary shares of 1p each	49,800	1	49,800	1
“A” ordinary shares of 1p each	100	-	100	-
“B” ordinary shares of 1p each	4,950,000	49	4,950,000	49
“C” ordinary shares of £1 each	22,000	16	22,000	22
“J” ordinary shares of 1p each	100	-	100	-
	<b>5,022,000</b>	<b>72</b>	<b>5,022,000</b>	<b>72</b>

The ordinary shares of 1p are non-voting, entitle the holder to participate in the profits of the company and a share of proceeds on a sale or return of capital.

The “A” ordinary shares are non-voting, entitle the holder to participate in the profits of the company that are derived from specific subsidiary companies and share in the proceeds on sale of those subsidiaries.

The “B” ordinary shares of 1p carry a voting right, do not entitle the holder to participate in the profits of the company and on a sale or return of capital rank before the ordinary shares but only entitle the holder to a return of the nominal value.

The holders of the “C” shares, which included shares held by the directors of the subsidiary Caddick Construction Limited, were entitled to a dividend which is based on the performance of that company measured by reference to a base period. On a sale or winding up of Caddick Group PLC or a sale of Caddick Construction Limited the holders of the “C” shares are entitled, in addition to payment of any arrears of dividend, to a proportion of the sale proceeds or remaining assets of the company, which is equal to the market value of Caddick Construction Limited. At 31 August 2020 unpaid “C” shares dividends not formally waived amounted to £767,000 (2019: £767,000). These dividends have not been provided for on the basis that they will be waived.

During the year, the remaining “C” shares held by directors of Caddick Construction Limited were purchased from them by Trimsat Limited, as Trustee of the Caddick Group Employee Benefit Trust, at their market value of £1,036,000.

At general meetings the holders of the “C” shares in aggregate have 9% of the voting rights.

The “J” ordinary shares are non-voting, entitle the holder to participate in the profits of the company that are derived from specific subsidiary companies and share in the proceeds on sale of those subsidiaries.

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 24 Other reserves

Group	Share based payments reserve £'000	Share premium account £'000	Capital reserve £'000	Total £'000
At 1 September 2019 and 31 August 2020	102	26	1,813	1,941

The capital reserve represents negative goodwill on acquisition of subsidiary undertakings. This negative goodwill is credited to the profit and loss account when the subsidiary is disposed of.

### 25 Cost of own shares held by Employee Trust

Group and Company	£'000
Shares acquired in prior years, reclassified from retained earnings	(415)
Shares acquired in the year (note 23)	(1,036)
At 31 August 2020	(1,451)

The cost of shares held by the Employee Trust amounting to £1,451,000 comprises 5,500 'C' ordinary shares reacquired from the directors of Caddick Construction as part of a long-term incentive arrangement. The shares were originally issued in 1996 and were subsequently reissued by the Employee Trust to the current Construction directors in 2001. The reclassification from retained earnings of the shares acquired in prior years was not material enough for a prior year adjustment and has therefore been corrected in the current year. At 31 August 2020 the shares had a value of £1,875,000.

### 26 Dividend paid

	2020 £'000	2019 £'000
Interim ordinary dividend paid of £Nil per ordinary share (2019: £10.04)	-	500

### 27 Capital commitments

At the balance sheet date, the group had commitments amounting to £Nil (2019: £Nil).

### 28 Contingent liabilities

As part of a cross guarantee arrangement operated within the group, the company has guaranteed the overdraft facilities of certain other group companies. At 31 August 2020, this amounted to £Nil (2019: £Nil).

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 29 Pensions

The group operates a defined contribution pension scheme for the benefit of certain executives. The assets of the scheme are held separately from those of the company in independently administered funds. The group also contributes to personal pension plans for eligible employees. The pension cost charge of £1,061,000 (2019: £935,000) represents contributions paid during the year of £1,061,000 (2019: £935,000) and accrued amounting to £Nil (2019: £Nil).

### 30 Notes to the statement of cash flows

	2020 £'000	2019 £'000
Profit for the financial year	11,659	9,574
Tax on profit on ordinary activities	3,978	1,036
Net interest income	(278)	(97)
Expense from other investments	9	15
Expense / (income) from interests in associates and joint ventures	215	(2,563)
Operating profit	15,583	7,965
Depreciation and impairments (note 15)	1,918	1,205
Amortisation of intangible fixed assets (note 14)	71	61
Amortisation of deferred income (note 21)	(65)	(78)
Profit on disposal of tangible fixed assets	-	(21)
Profit on disposal of intangible fixed assets	-	(4)
Unrealised loss / (profit) on revaluation of investment properties (note 15)	1,747	(3,033)
Provision for share-based payments (note 21)	1,495	800
Taxation paid	(4,064)	(1,290)
Working capital movements		
- Decrease / (increase) in stocks	8,843	(11,190)
- Increase in debtors	(19,819)	(11,668)
- Increase in creditors	12,545	4,125
<b>Net cash inflow / (outflow) from operating activities</b>	<b>18,254</b>	<b>(13,128)</b>

# Caddick Group PLC

## Notes to the financial statements for the year ended 31 August 2020 (continued)

### 31 Transactions with related parties

During the year a group company paid £65,000 (2019: £65,000) by way of property rentals to a pension scheme of which Mr P Caddick and Mrs A Caddick are beneficiaries.

During the year group companies utilised the services of Park Square Management Services Limited, a property management company controlled by Mr P Caddick and Mrs A Caddick. Purchases from and sales to this company at commercial rates amounted to £47,000 (2019: £46,000) and £43,000 (2019: £58,000) respectively.

During the year group companies performed work (inclusive of VAT) for Mr P Caddick and Mrs AE Caddick, on an arm's length basis, to the value of £131,000 (2019: £77,000). At 31 August 2020 an amount of £3,000 was owed by (2019: £18,000 owed to) the company to Mr P Caddick and Mrs AE Caddick, being the balance outstanding on their current account.

Included in other creditors (note 19) is an amount owed to Appleton Estates Limited of £150,000 (2019: £150,000), being an equity contribution to a project being undertaken by Oakgate City Living Limited, a subsidiary in which Appleton Estates Limited has a 20% interest. Appleton Estates Limited is company controlled by Mr RE France, a director of a number of Caddick subsidiaries and also Trustee of the Paul Caddick Accumulation and Maintenance Settlement. Included in other debtors is £111,000 (2019: £82,000) in respect of corporate entertaining recharges owing by Mr RE France.

### 32 Ultimate controlling party

The company's ultimate controlling party is P Caddick, in his capacity as Trustee of the Paul Caddick Accumulation and Maintenance Settlement.

Caddick Group PLC is the smallest and largest group to consolidate the financial statements of the company.

### 33 Prior year restatement

The prior year figures for turnover, cost of sales and other operating income have been restated to reflect the reclassification of net rental income from investment properties and electricity generation income, as follows:

Group	Turnover £'000	Cost of sales £'000	Other operating income £'000
2019 as per filed accounts	206,339	(178,327)	7,164
Reclassification of net rental income from investment properties	1,853	(34)	(1,819)
Reclassification of net electricity generation income	484	(136)	(348)
<b>2019 as restated</b>	<b>208,676</b>	<b>(178,497)</b>	<b>4,997</b>