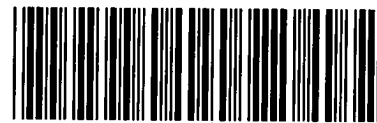


Company Registration No. 02586022 (England and Wales)

**DODD GROUP HOLDINGS LIMITED**  
**CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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# **DODD GROUP HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr T R Dodd Mrs S M Dodd Mr T M Dodd Mr J J Kavanagh
<b>Secretary</b>	Mr T R Dodd
<b>Company number</b>	02586022
<b>Registered office</b>	Stafford Park 13 Telford Shropshire England TF3 3AZ
<b>Auditor</b>	Baldwins Audit Services Column House London Road Shrewsbury Shropshire SY2 6NN

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# **DODD GROUP HOLDINGS LIMITED**

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# **DODD GROUP HOLDINGS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present the strategic report and financial statements of the company and the group for the year ended 31 March 2019.

### **Fair review of the business**

The group has continued its activities across its key markets of social housing, capital construction projects in the education, commercial, health, utilities and defence sectors, and reactive, planned maintenance and capital works for local authorities and housing associations.

The Property Care division has continued with its involvement in various local authority and public sector initiatives. Work has continued with various main contractors on housing stock refurbishment frameworks as well as with local authorities and housing associations on their planned property improvement programmes.

Planned and reactive maintenance in the non-domestic market has continued in the form of long-term partnerships with local authorities and utilities providers.

The Construction division has continued to secure sizeable capital projects generating both repeat business with existing clients, and fostering beneficial relationships with new customers.

In the defence sector, work has continued on long-term contracts providing infrastructure services on various M.O.D. bases.

### **Principal risks and uncertainties**

A number of risk factors have been identified that could potentially impact the operating and financial performance of the group:

- The effects of a prolonged economic downturn is a potential risk that the group faces.
- Changes to the expenditure plans of public and private sector customers is a potential risk that the group faces. The directors manage this risk by positioning the group within a wide range of relevant markets to reduce the exposure to adverse economic factors in any individual market sector.
- The success of the group depends upon the recruitment and retention of skilled personnel at all levels. The group has a remuneration policy designed to attract, motivate and retain individuals of the calibre required, as well as a policy of developing skills within the business through apprenticeships and training.

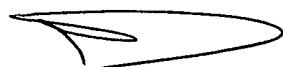
### **Key performance indicators**

The directors consider that the group's key financial performance indicators are those that communicate the profitability and strength of the group as a whole, these being pre-tax profit and net assets.

Pre-tax profit for the year was £4.0 million.

Net assets at the year end were £41.1 million.

On behalf of the board



Mr T R Dodd  
Director

18 December 2019

# **DODD GROUP HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

---

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

### **Principal activities**

The principal activity of the group continued to be that of electrical, heating and ventilation engineers and contractors.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T R Dodd  
Mrs S M Dodd  
Mr T M Dodd  
Mr J J Kavanagh

### **Results and dividends**

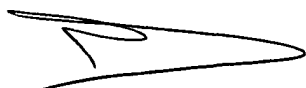
The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £500,000 (2018: £1,000,000). The directors do not recommend payment of a further dividend.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr T R Dodd  
**Director**

18 December 2019

# **DODD GROUP HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. They 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.

# **DODD GROUP HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF DODD GROUP HOLDINGS LIMITED**

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#### **Opinion**

We have audited the financial statements of Dodd Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **DODD GROUP HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DODD GROUP HOLDINGS LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

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

#### **Auditor's 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 auditor's 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Baldwins Audit Services*

Dawn Owen BA(Hons) BFP FCA  
Reg No: 8748676

19 December 2019

**Baldwins Audit Services**  
Column House  
7 London Road  
Shrewsbury  
SY2 6NN

**Registered by: The Institute of Chartered Accountants in England & Wales**  
**Statutory Auditor**

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# DODD GROUP HOLDINGS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £000	2018 £000
Turnover		155,311	154,118
Cost of sales		(122,343)	(121,404)
<b>Gross profit</b>		<b>32,968</b>	<b>32,714</b>
Administrative expenses		(30,130)	(30,576)
Other operating income		782	1,058
<b>Operating profit</b>	<b>3</b>	<b>3,620</b>	<b>3,196</b>
Interest receivable and similar income	<b>6</b>	424	729
<b>Profit before taxation</b>		<b>4,044</b>	<b>3,925</b>
Taxation	<b>7</b>	(1,280)	(768)
<b>Profit for the financial year</b>	<b>28</b>	<b>2,764</b>	<b>3,157</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **DODD GROUP HOLDINGS LIMITED**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2019***

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	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Profit for the year</b>	2,764	3,157
<b>Other comprehensive income</b>		
Revaluation reserve depreciation transfer	-	(7)
<b>Total comprehensive income for the year</b>	<u>2,764</u>	<u>3,150</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# DODD GROUP HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	9	2,783	3,421
Investment properties	10	4,406	4,406
		<u>7,189</u>	<u>7,827</u>
<b>Current assets</b>			
Stocks	14	2,461	1,430
Debtors	16	38,154	37,796
Investments	17	5,474	8,524
Cash at bank and in hand		26,658	22,951
		<u>72,747</u>	<u>70,701</u>
<b>Creditors: amounts falling due within one year</b>	18	(37,776)	(39,236)
<b>Net current assets</b>		<u>34,971</u>	<u>31,465</u>
<b>Total assets less current liabilities</b>		<u>42,160</u>	<u>39,292</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(592)	(371)
<b>Provisions for liabilities</b>	21	(442)	(59)
<b>Net assets</b>		<u><u>41,126</u></u>	<u><u>38,862</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	18	18
Share premium account	25	651	651
Revaluation reserve	26	412	787
Capital redemption reserve	27	3	3
Profit and loss reserves	28	40,042	37,403
<b>Total equity</b>		<u><u>41,126</u></u>	<u><u>38,862</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18 December 2019 and are signed on its behalf by:



Mr T R Dodd  
Director

# DODD GROUP HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	9	1	1
Investment properties	10	6,876	6,876
Investments	11	18	1,349
		<u>6,895</u>	<u>8,226</u>
<b>Current assets</b>			
Debtors	16	2,749	1,738
Cash at bank and in hand		2,292	1,313
		<u>5,041</u>	<u>3,051</u>
<b>Creditors: amounts falling due within one year</b>	18	(5,094)	(3,244)
<b>Net current liabilities</b>		(53)	(193)
<b>Total assets less current liabilities</b>		<u>6,842</u>	<u>8,033</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(384)	(269)
<b>Provisions for liabilities</b>	22	(392)	(9)
<b>Net assets</b>		<u>6,066</u>	<u>7,755</u>
<b>Capital and reserves</b>			
Called up share capital	24	18	18
Share premium account	25	651	651
Revaluation reserve	26	482	850
Capital redemption reserve	27	3	3
Profit and loss reserves	28	4,912	6,233
<b>Total equity</b>		<u>6,066</u>	<u>7,755</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 18 December 2019 and are signed on its behalf by:

  
Mr T R Dodd  
Director

Company Registration No. 02586022

# DODD GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £000	Share premium account £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 April 2017</b>		17	217	1,018	3	35,008	36,263
<b>Year ended 31 March 2018:</b>							
Profit for the year		-	-	-	-	3,157	3,157
Other comprehensive income:							
Depreciation written back		-	-	(7)	-	7	-
Total comprehensive income for the year		-	-	(7)	-	3,164	3,157
Issue of share capital	24	1	434	-	-	-	435
Dividends	8	-	-	-	-	(1,000)	(1,000)
Other movements		-	-	(224)	-	231	7
<b>Balance at 31 March 2018</b>		18	651	787	3	37,403	38,862
<b>Year ended 31 March 2019:</b>							
Profit for the year		-	-	-	-	2,764	2,764
Other comprehensive income:							
Total comprehensive income for the year		-	-	-	-	2,764	2,764
Dividends	8	-	-	-	-	(500)	(500)
Other movements		-	-	(375)	-	375	-
<b>Balance at 31 March 2019</b>		18	651	412	3	40,042	41,126

# DODD GROUP HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £000	Share premium account £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 April 2017</b>		17	217	1,074	3	5,957	7,268
<b>Year ended 31 March 2018:</b>							
Profit and total comprehensive income for the year		-	-	-	-	1,052	1,052
Issue of share capital	24	1	434	-	-	-	435
Dividends	8	-	-	-	-	(1,000)	(1,000)
Transfers		-	-	-	-	224	224
Other		-	-	(224)	-	-	(224)
<b>Balance at 31 March 2018</b>		18	651	850	3	6,233	7,755
<b>Year ended 31 March 2019:</b>							
Loss and total comprehensive income for the year		-	-	-	-	(1,189)	(1,189)
Dividends	8	-	-	-	-	(500)	(500)
Other		-	-	(368)	-	368	-
<b>Balance at 31 March 2019</b>		18	651	482	3	4,912	6,066

# DODD GROUP HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Cash generated from operations	33	1,763	6,378
Income taxes paid		(660)	(1,037)
<b>Net cash inflow from operating activities</b>		<u>1,103</u>	<u>5,341</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(27)	(688)
Proceeds on disposal of tangible fixed assets		20	23
Proceeds on disposal of investment property		-	415
Proceeds from other investments and loans		3,050	(8,524)
Interest received		424	729
<b>Net cash generated from/(used in) investing activities</b>		<u>3,467</u>	<u>(8,045)</u>
<b>Financing activities</b>			
Proceeds from issue of shares		-	435
Payment of finance leases obligations		(363)	(241)
Dividends paid to equity shareholders		(500)	(1,000)
<b>Net cash used in financing activities</b>		<u>(863)</u>	<u>(806)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>3,707</u>	<u>(3,510)</u>
Cash and cash equivalents at beginning of year		22,951	26,461
<b>Cash and cash equivalents at end of year</b>		<u><u>26,658</u></u>	<u><u>22,951</u></u>

# DODD GROUP HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £000	£000	2018 £000	£000
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	34		1,056		(1,504)
Income taxes paid			(28)		(96)
<b>Net cash inflow/(outflow) from operating activities</b>			1,028		(1,600)
<b>Investing activities</b>					
Proceeds on disposal of investment property		-		415	
Interest received		1		1	
Dividends received		450		1,000	
<b>Net cash generated from investing activities</b>			451		1,416
<b>Financing activities</b>					
Proceeds from issue of shares		-		435	
Dividends paid to equity shareholders		(500)		(1,000)	
<b>Net cash used in financing activities</b>			(500)		(565)
<b>Net increase/(decrease) in cash and cash equivalents</b>			979		(749)
Cash and cash equivalents at beginning of year			1,313		2,062
<b>Cash and cash equivalents at end of year</b>			2,292		1,313

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

##### Company information

Dodd Group Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Stafford Park 13, Telford, Shropshire, England, TF3 3AZ.

The group consists of Dodd Group Holdings Limited and all of its subsidiaries.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss in the year before tax was £0.74m but this was after an investment impairment of £1.3m that has no effect on the consolidated accounts of the group, without this impairment the company would have made a profit of £0.59m (2018 - £1.1m profit).

# **DODD GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Dodd Group Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 1 Accounting policies

(Continued)

##### 1.4 Turnover

Turnover represents amounts receivable for services, net of VAT and trade discounts, wholly in respect of construction activities which are described below.

Attributable profit on construction contracts is recognised only where the outcome of a contract can be assessed with reasonable certainty, and is determined by reference to the degree of completion of the work. Costs for these contracts on which the company has obtained a right to consideration through partial performance of contractual obligations, and is reasonably certain that the contractual obligations will be achieved in full, are recognised as costs of sale. Attributable revenue on such contracts is recognised as turnover.

In the event that a loss on completion of a contract is forecast, a provision for losses to contract completion is recognised irrespective of the stage of completion of the contract, by reference to the best estimate of the forecast results measured on a reasonable basis. Provision for losses on contract completion are presented as "provisions" in the balance sheet.

The amount by which recorded turnover is in excess of invoiced turnover is included in debtors as "amounts recoverable on contracts". Amounts of invoiced turnover which are in excess of recognised turnover are included in creditors.

Costs for contracts which are not deemed sufficiently progressed to warrant profit recognition, or where there is no contractual right to consideration for partial performance, are treated as work in progress and are stated at the lower of cost or net realisable value.

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% on revalued amount (buildings only)
Land and buildings Leasehold	2% on revalued amount (buildings only) and Over the period of the lease
Plant and machinery	25% on cost
Fixtures, fittings & office equipment	33% on cost and 25% on reducing balance
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# **DODD GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.7 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **1.8 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Payments received on account are deducted from work in progress and if in excess of individual contract values are included in creditors.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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 an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred taxation is provided in full in respect of material amounts of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable are charged to the profit and loss account in the period to which they relate.

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Operating profit

	2019	2018
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	644	508
Depreciation of tangible fixed assets held under finance leases	-	288
Profit on disposal of tangible fixed assets	2	(6)
Profit on disposal of investment property	-	(120)
Operating lease charges	1,064	982
	<u>1,064</u>	<u>982</u>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 4 Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	9	8
Audit of the company's subsidiaries	45	44
	<u>54</u>	<u>52</u>
<b>For other services</b>		
All other non-audit services for the company	6	18
All other non-audit services for the group	30	42
	<u>36</u>	<u>60</u>

### 5 Employees

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

	2019 Number	2018 Number
Management & administration	373	377
Productive operatives	485	450
	<u>858</u>	<u>827</u>

Their aggregate remuneration comprised:

	2019 £000	2018 £000
Wages and salaries	34,722	32,239
Social security costs	3,689	3,937
Pension costs	410	305
	<u>38,821</u>	<u>36,481</u>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 6 Interest receivable and similar income

	2019 £000	2018 £000
<b>Interest income</b>		
Interest on bank deposits	67	20
Other interest income	357	709
Total income	<u>424</u>	<u>729</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>67</u>	<u>20</u>
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### 7 Taxation

	2019 £000	2018 £000
UK corporation tax on profits for the current period	<u>862</u>	<u>842</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	50	(51)
Other adjustments	368	(23)
Total deferred tax	<u>418</u>	<u>(74)</u>
Total tax charge	<u>1,280</u>	<u>768</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £000	2018 £000
Profit before taxation	<u>4,044</u>	<u>3,925</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	768	746
Tax effect of expenses that are not deductible in determining taxable profit	59	59
Profit/loss on disposal of fixed assets	-	(1)
Capital allowances in excess of depreciation	35	34
Other tax adjustments	-	4
Deferred tax movements	418	(74)
Tax expense for the year	<u>1,280</u>	<u>768</u>

# **DODD GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2019***

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### **8 Dividends**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Final paid	<u>500</u>	<u>1,000</u>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9 Tangible fixed assets

Group	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, Motor vehicles fittings & office equipment		Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 April 2018	1,865	605	159	849	4,406	7,884
Additions	-	-	-	-	28	28
Disposals	-	-	-	-	(366)	(366)
Reclassification	-	-	-	-	220	220
At 31 March 2019	1,865	605	159	849	4,288	7,766
<b>Depreciation and impairment</b>						
At 1 April 2018	254	84	159	849	3,117	4,463
Depreciation charged in the year	27	12	-	-	605	644
Eliminated in respect of disposals	-	-	-	-	(336)	(336)
Reclassification	-	-	-	-	212	212
At 31 March 2019	281	96	159	849	3,598	4,983
<b>Carrying amount</b>						
At 31 March 2019	1,584	509	-	-	690	2,783
At 31 March 2018	1,611	521	-	-	1,289	3,421

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

Company	Fixtures, fittings & office equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	6	39	45
<b>Depreciation and impairment</b>			
At 1 April 2018 and 31 March 2019	6	38	44
<b>Carrying amount</b>			
At 31 March 2019	-	1	1
At 31 March 2018	-	1	1

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Motor vehicles	-	300	-	-
Depreciation charge for the year in respect of leased assets	-	228	-	-

The reclassification in the fixed asset notes relates to old items that have been scrapped.

#### 10 Investment property

	Group 2019 £000	Company 2019 £000
<b>Fair value</b>		
At 1 April 2018 and 31 March 2019	4,406	6,876

The fair value of the investment property has been arrived at on the basis of valuations carried out in 2012 and 2014 by Andrew Dixon and Co, Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

It is the opinion of the directors that there have been no significant changes to the values since the dates of the valuations.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 11 Fixed asset investments

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Other investments	-	-	18	1,349

During the year the company impaired the investment in Amethyst (Telford) Limited to the value of the shares held in the company, this had no effect on the consolidation accounts for the Group.

#### Movements in fixed asset investments

Company	Other £000
<b>Cost or valuation</b>	
At 1 April 2018 and 31 March 2019	1,349
<b>Impairment</b>	
At 1 April 2018	-
Impairment losses	1,331
At 31 March 2019	1,331
<b>Carrying amount</b>	
At 31 March 2019	18
At 31 March 2018	1,349

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 12 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Amethyst (Telford) Limited	England and Wales	Non trading company	Ordinary	100.00	
DG Ecogen Limited	England and Wales	Dormant company	Ordinary		100.00
Dodd Group (Eastern) Limited	England and Wales	Electrical, heating and ventilation engineers and contractors	Ordinary		100.00
Dodd Group (Midlands) Limited	England and Wales	Electrical, heating and ventilation engineers and contractors	Ordinary		100.00
Dodd Group (South) Limited	England and Wales	Electrical, heating and ventilation engineers and contractors	Ordinary		100.00
Dodd Group Limited	England and Wales	Holding company	Ordinary	100.00	
Technology Installation Services Limited	England and Wales	Dormant company	Ordinary		100.00

### 13 Financial instruments

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	55,608	51,773	4,988	3,016
Equity instruments measured at cost less impairment	18	1,349	-	-
Instruments measured at fair value through profit or loss	5,474	8,524	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	35,455	35,961	5,468	3,244
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

Financial assets measured at amortised cost consists of trade debtors, other debtors and cash at bank. In respect of the company only, this also includes amounts due from subsidiary undertakings.

Financial assets measured at fair value through the profit or loss consist of current asset investments.

Financial liabilities measured at amortised cost consists of trade creditors, directors' current accounts, obligations under hire purchase contracts, other creditors and accruals. In respect of the company only, this also includes amounts due to subsidiary undertakings.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 14 Stocks

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Raw materials and consumables	25	22	-	-
Work in progress	2,436	1,408	-	-
	<u>2,461</u>	<u>1,430</u>	<u>-</u>	<u>-</u>

### 15 Construction contracts

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
<b>Contracts in progress at the reporting date</b>				
Gross amounts due from contract customers included in debtors	35,843	35,143	-	-
Gross amounts due to contract customers included in creditors	(174)	(1,083)	-	-
Gross amounts due to contract customers included in work in progress	(113)	-	-	-

Turnover reported in the accounts is wholly derived from construction contracts.

### 16 Debtors

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
<b>Amounts falling due within one year:</b>				
Trade debtors	28,586	28,227	1,195	1,477
Amounts recoverable on contracts	8,455	8,393	-	-
Amounts due from subsidiary undertakings	-	-	1,466	226
Other debtors	364	595	35	-
Prepayments and accrued income	749	546	53	-
	<u>38,154</u>	<u>37,761</u>	<u>2,749</u>	<u>1,703</u>
<b>Amounts falling due after one year:</b>				
Deferred tax asset (note 22)	-	35	-	35
	<u>-</u>	<u>35</u>	<u>-</u>	<u>35</u>
<b>Total debtors</b>	<u>38,154</u>	<u>37,796</u>	<u>2,749</u>	<u>1,738</u>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 17 Current asset investments

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Unlisted investments	5,474	8,524	-	-

Unlisted investments comprise interest-bearing loan notes to various UK companies.

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

	Notes	Group		Company	
		2019	2018	2019	2018
		£000	£000	£000	£000
Directors' current accounts		1,080	1,063	262	318
Obligations under finance leases	20	-	363	-	-
Payments received on account		1,343	1,083	-	-
Trade creditors		29,993	31,188	33	36
Amounts due to group undertakings		-	-	4,198	2,286
Corporation tax payable		408	206	-	-
Other taxation and social security		2,505	3,440	10	269
Other creditors		276	129	-	-
Accruals and deferred income		2,171	1,764	591	335
		37,776	39,236	5,094	3,244

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

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Other creditors	592	371	384	269

### 20 Hire purchase obligations

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Future minimum lease payments due under hire purchase contracts				
Within one year	-	363	-	-

Hire purchase payments represent rentals payable by the company or group for certain items of plant and machinery. Contracts include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All contracts are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 21 Provisions for liabilities

	Notes	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Pension liability		50	50	-	-
Deferred tax liabilities	22	392	9	392	9
		<u>442</u>	<u>59</u>	<u>392</u>	<u>9</u>

Movements on provisions apart from deferred tax liabilities:

Group	Pension £000
At 1 April 2018 and 31 March 2019	<u>50</u>

The pension fund provision is in respect of a subsidiary company's liability to a defined benefit pension fund provided by a Local Government Pension Scheme. Under the terms of its contract, the company is liable up to a maximum of £50,000.

#### 22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2019 £000	Liabilities 2018 £000	Assets 2019 £000	Assets 2018 £000
ACAs	24	48	-	-
Revaluations	368	(39)	-	35
	<u>392</u>	<u>9</u>	<u>-</u>	<u>35</u>
	<u>392</u>	<u>9</u>	<u>-</u>	<u>35</u>

Company	Liabilities 2019 £000	Liabilities 2018 £000	Assets 2019 £000	Assets 2018 £000
ACAs	24	9	-	-
Revaluations	368	-	-	35
	<u>392</u>	<u>9</u>	<u>-</u>	<u>35</u>
	<u>392</u>	<u>9</u>	<u>-</u>	<u>35</u>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 22 Deferred taxation

(Continued)

	Group 2019 £000	Company 2019 £000
<b>Movements in the year:</b>		
Liability/(asset) at 1 April 2018	(26)	(26)
Other	(366)	(366)
Liability/(asset) at 31 March 2019	<u>(392)</u>	<u>(392)</u>

### 23 Retirement benefit schemes

	2019 £000	2018 £000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>401</u>	<u>295</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end contributions of £60,000 (2018 £55,000) were outstanding.

### 24 Share capital

	Group and company 2019 £000	2018 £000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
157,500 Ordinary shares of 10p each	16	16
8,750 Ordinary A shares of 10p each	1	1
8,750 Ordinary B shares of 10p each	1	1
	<u>18</u>	<u>18</u>

The shares carry a right to vote, a right to a dividend and the right to participate in a distribution of capital on winding up.

### 25 Share premium account

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
At beginning of year	651	217	651	217
Issue of new shares	-	434	-	434
At end of year	<u>651</u>	<u>651</u>	<u>651</u>	<u>651</u>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 26 Revaluation reserve

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
At beginning of year	787	1,018	850	1,074
Distributable reserves transfer	-	(7)	-	-
Other movements	(375)	(224)	(368)	(224)
At end of year	412	787	482	850

### 27 Capital redemption reserve

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
At beginning and end of year	3	3	3	3

### 28 Profit and loss reserves

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
At the beginning of the year	37,403	35,008	6,233	5,957
Profit/(loss) for the year	2,764	3,157	(1,189)	1,276
Dividends	(500)	(1,000)	(500)	(1,000)
Transfer from revaluation reserve	375	238	368	224
Other	-	-	-	(224)
At the end of the year	40,042	37,403	4,912	6,233

### 29 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Within one year	529	610	11	11
Between two and five years	747	767	44	44
In over five years	2,207	2,230	1,001	1,012
	3,483	3,607	1,056	1,067

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 29 Operating lease commitments

(Continued)

Included in the above is a commitment of £1,276,333 relating to a 125 year lease for ground rent, expiring in May 2110 and a commitment of £1,056,000 relating to a 125 year lease for ground rent, expiring in February 2115.

### 30 Directors' transactions

During the year loan accounts were operated with the Directors. At the year end £1,079,196 (2018 £1,063,000) was owed to the directors in this regard.

### 31 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £000	2018 £000
Aggregate compensation	2,732	4,378

No guarantees have been given or received.

### 32 Controlling party

The ultimate controlling party is Mr T R Dodd.

### 33 Cash generated from group operations

	2019 £000	2018 £000
Profit for the year after tax	2,764	3,157
<b>Adjustments for:</b>		
Taxation charged	1,280	768
Investment income	(424)	(729)
Loss/(gain) on disposal of tangible fixed assets	2	(6)
Gain on disposal of investment property	-	(120)
Depreciation and impairment of tangible fixed assets	644	796
Decrease in provisions	-	(281)
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(1,031)	807
Increase in debtors	(394)	(1,940)
(Decrease)/increase in creditors	(1,078)	3,926
<b>Cash generated from operations</b>	<b>1,763</b>	<b>6,378</b>

# DODD GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 34 Cash generated from/(absorbed by) operations - company

	2019 £000	2018 £000
(Loss)/profit for the year after tax	(1,187)	1,054
<b>Adjustments for:</b>		
Taxation charged	447	21
Investment income	(451)	(1,001)
Gain on disposal of investment property	-	(120)
Impairment of investment	1,331	-
<b>Movements in working capital:</b>		
Increase in debtors	(1,049)	(545)
Increase/(decrease) in creditors	1,965	(913)
<b>Cash generated from/(absorbed by) operations</b>	<u>1,056</u>	<u>(1,504)</u>

#### 35 Directors' remuneration

	2019 £000	2018 £000
Remuneration for qualifying services	<u>1,785</u>	<u>3,826</u>

The number of directors for whom retirement benefits are accruing under defined benefit contribution schemes amounted to 4 (2018:4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>599</u>	<u>1,490</u>
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