

# **Fred Champion Groundworks Limited**

## **Annual Report and Financial Statements Year Ended 30 September 2018**

Registration number: 03200045



# **Fred Champion Groundworks Limited**

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# **Fred Champion Groundworks Limited**

## **Company Information**

**Directors** F C Champion  
M V Caers  
J S Cleaton-Roberts  
S D Champion  
D S Philp  
J J Cheffings

**Company secretary** J S Cleaton-Roberts

**Registered office** Unit 2A  
Doublebois Industrial Estate  
Doublebois  
Liskeard  
Cornwall  
PL14 6LE

**Auditors** PKF Francis Clark  
Statutory Auditor  
North Quay House  
Sutton Harbour  
Plymouth  
Devon  
PL4 0RA

# Fred Champion Groundworks Limited

## Strategic Report

Year Ended 30 September 2018

The directors present their strategic report for the year ended 30 September 2018.

### Principal activity

The principal activity of the company in the year under review was that of groundwork contractors.

### Fair review of the business

The company's turnover has continued to improve. The turnover for the year ended 30 September 2018 was £66,880,709 compared to £49,508,632 for the year ended 30 September 2017. During the year the company diversified its operations by selling a number of developed properties for £2,070,780.

Operating expenses have increased as the company's growth continues. The company continues to invest in the business to improve the quality of our staff and services supplied.

The company has made a profit before tax of £6,461,472 (2017: £3,161,155).

The balance sheet position has improved at the year end with net assets of £18,732,344 (2017: £15,725,523). Current assets exceed current liabilities by £10,787,962 (2017: £10,264,253) which shows that there are no liquidity issues in the company.

With regards to non-financial KPIs the company has increased both its customer base and the number of groundworkers employed compared to the prior financial year.

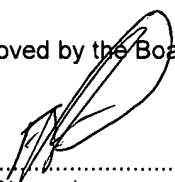
The company is well placed for continued growth in the future.

### Principal risks and uncertainties

Principal business risks facing the company are the loss of key management and staff and downturns in the general economic climate.

The experience of the board of directors ensures the company is able to navigate through good and bad economic times.

Approved by the Board on 8/4/19 and signed on its behalf by:

  
.....  
F C Champion  
Director

# **Fred Champion Groundworks Limited**

## **Directors' Report**

### **Year Ended 30 September 2018**

The directors present their report and the financial statements for the year ended 30 September 2018.

#### **Directors of the company**

The directors who held office during the year were as follows:

F C Champion

M V Caers

J S Cleaton-Roberts

S D Champion

The following directors were appointed after the year end:

D S Philp (appointed 1 January 2019)

J J Cheffings (appointed 1 January 2019)

#### **Financial instruments**

#### ***Price risk, credit risk, liquidity risk and cash flow risk***

The company considers the major financial risks of the business to be linked to liquidity, cash flow and cyclical changes in the economy. The company mitigates these risks by carefully managing cash, stock and debt levels. The experience of management enables the company to respond to changes in the economy and to adapt the company's strategies accordingly.

#### **Employment of disabled persons**

All applications received by disabled persons for employment by the company are fairly considered with due regard to their expertise and experience in relation to the requirements of the advertised vacancy. The company is committed to employing disabled persons and should a current employee become disabled, where possible and if required, the company will retrain the employee in a suitable alternative job role.

#### **Employee involvement**

Within the Champion Group we now have a team of over 300 people, the vast majority being involved with the company for a long period of time, some from when the group started in 1983. This level of loyalty is reflected in our commitment to our clients. Within the Champion Group we constantly provide team development through internal and external training programmes. Our main priority is to ensure all staff fulfil their full potential.

#### **Disclosure of information to the auditors**

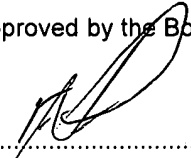
Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

# **Fred Champion Groundworks Limited**

## **Directors' Report**

**Year Ended 30 September 2018**

Approved by the Board on 3/4/19 and signed on its behalf by:

  
.....  
F C Champion  
Director

## **Fred Champion Groundworks Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

# **Fred Champion Groundworks Limited**

## **Independent Auditor's Report to the Members of Fred Champion Groundworks Limited**

### **Opinion**

We have audited the financial statements of Fred Champion Groundworks Limited (the 'company') for the year ended 30 September 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 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 company's affairs as at 30 September 2018 and of its 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 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.



## **Fred Champion Groundworks Limited**

### **Independent Auditor's Report to the Members of Fred Champion Groundworks Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page 5, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

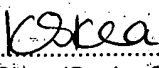
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Fred Champion Groundworks Limited**

### **Independent Auditor's Report to the Members of Fred Champion Groundworks Limited**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Katie Skea (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

North Quay House  
Sutton Harbour  
Plymouth  
Devon  
PL4 0RA

Date: 09/04/19

## **Fred Champion Groundworks Limited**

### **Profit and Loss Account**

**Year Ended 30 September 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	3	66,880,709	49,508,632
Cost of sales		<u>(57,393,739)</u>	<u>(42,916,447)</u>
Gross profit		9,486,970	6,592,185
Administrative expenses		(3,064,171)	(3,460,173)
Other operating income	4	<u>49,950</u>	<u>35,738</u>
Operating profit	5	<u>6,472,749</u>	<u>3,167,750</u>
Other interest receivable and similar income	9	832	-
Interest payable and similar charges	10	<u>(12,109)</u>	<u>(6,595)</u>
		<u>(11,277)</u>	<u>(6,595)</u>
Profit before tax		6,461,472	3,161,155
Taxation	11	<u>(1,256,685)</u>	<u>(608,971)</u>
Profit for the financial year		<u><u>5,204,787</u></u>	<u><u>2,552,184</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

# Fred Champion Groundworks Limited

## Balance Sheet

30 September 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	5,546,104	4,965,185
Investment property	13	2,551,196	679,893
Investments	14	50	50
		<u>8,097,350</u>	<u>5,645,128</u>
<b>Current assets</b>			
Stocks	15	1,909,337	1,856,298
Debtors	16	12,861,767	9,789,037
Cash at bank and in hand		<u>6,586,728</u>	<u>7,505,768</u>
		21,357,832	19,151,103
<b>Creditors: Amounts falling due within one year</b>	17	<u>(10,569,870)</u>	<u>(8,886,850)</u>
<b>Net current assets</b>		<u>10,787,962</u>	<u>10,264,253</u>
<b>Total assets less current liabilities</b>		18,885,312	15,909,381
<b>Creditors: Amounts falling due after more than one year</b>	17	-	(42,958)
<b>Provisions for liabilities</b>	20	<u>(152,968)</u>	<u>(140,900)</u>
<b>Net assets</b>		<u>18,732,344</u>	<u>15,725,523</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000	1,000
Profit and loss account		<u>18,731,344</u>	<u>15,724,523</u>
<b>Total equity</b>		<u>18,732,344</u>	<u>15,725,523</u>

Approved and authorised by the Board on ...8/4/19... and signed on its behalf by:

.....  
F C Champion  
Director

Company Registration Number: 03200045

## Fred Champion Groundworks Limited

### Statement of Changes in Equity

Year Ended 30 September 2018

	Share capital £	Profit and loss account £	Total £
At 1 October 2017	1,000	15,724,523	15,725,523
Profit for the year	-	5,204,787	5,204,787
Total comprehensive income	-	5,204,787	5,204,787
Dividends	-	(2,197,966)	(2,197,966)
At 30 September 2018	1,000	18,731,344	18,732,344

	Share capital £	Profit and loss account £	Total £
At 1 October 2016	1,000	13,237,339	13,238,339
Profit for the year	-	2,552,184	2,552,184
Total comprehensive income	-	2,552,184	2,552,184
Dividends	-	(65,000)	(65,000)
At 30 September 2017	1,000	15,724,523	15,725,523

# **Fred Champion Groundworks Limited**

## **Notes to the Financial Statements**

**Year Ended 30 September 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 2A  
Doublebois Industrial Estate  
Doublebois  
Liskeard  
Cornwall  
PL14 6LE  
United Kingdom

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Summary of disclosure exemptions**

FRS 102 grants a qualifying entity exemptions from the full requirements of FRS102. The following exemptions have been taken in these financial statements as the company is deemed to be a qualifying entity.

The company has taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a Statement of Cash Flows on the basis that it is a qualifying entity and its ultimate parent company, Champion Groundworks Ltd, included the company's cash flows in its own consolidated financial statements. The company is also taking exemption from disclosure of key management personnel compensation and exemption from disclosure of related party transactions entered into between the company and other wholly owned members of the Champion Groundworks Ltd.

#### **Name of parent of group**

These financial statements are consolidated in the financial statements of Champion Groundworks Ltd.

The financial statements of Champion Groundworks Ltd may be obtained from Companies House.

#### **Key sources of estimation uncertainty**

In the application of the Company's accounting policies management are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historically known factors and experience and include the following:

##### ***Depreciation***

Depreciation is provided on tangible and intangible fixed assets respectively so as to write off the cost of an asset over its expected useful economic life. Detail of the useful economic lives assigned to assets can be seen in the related accounting policies. Management continuously review the accuracy of the estimates applied, particularly when assets are disposed/written off, and are comfortable that the rates applied are materially accurate.

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### **Revenue recognition**

Contract revenue for provision of groundwork services is determined by the value of work completed. The value of work is determined by the assessment of the company surveyors at each month end with reference to the revenue agreed in the contract for each phase and each plot.

### **Revenue recognition**

Turnover comprises fair value of consideration received or receivable for contracted groundwork services, sales of purchased plant and equipment and sales of developed properties. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company. Turnover from groundwork contracts is recognised based on stage of completion with reference to the agreed contract. Sales of purchased plant are recognised when possession is taken by the customer. Sales of developed properties are recognised on exchange of contract.

### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	2% on cost
Motor vehicles	25% on reducing balance
Other property, plant and equipment	15-25% on reducing balance, 3% on cost

### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually either by management or by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

# **Fred Champion Groundworks Limited**

## **Notes to the Financial Statements**

### **Year Ended 30 September 2018**

#### **Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of development properties comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.



# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### Financial instruments

#### Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Rendering of services	64,809,581	49,045,645
Sale of developed properties and machinery	2,070,780	462,987
Other revenue	348	-
	<u>66,880,709</u>	<u>49,508,632</u>

The analysis of the company's turnover for the year by market is as follows:

	2018 £	2017 £
UK	<u>66,880,709</u>	<u>49,508,632</u>

The amount of contract revenue recognised as revenue in the year was £64,809,581 (2017 - £49,045,645).

Contract revenue for provision of groundwork services is determined by the value of work completed. The value of work is determined by the assessment of the company surveyors at each month end with reference to the revenue agreed in the contract for each phase and each plot.

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018	2017
	£	£
Rental income	49,950	35,738

### 5 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	909,217	762,845
Operating lease costs	34,806	31,601
Profit on disposal of property, plant and equipment	(73,213)	(64,997)

### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	12,373,650	10,174,702
Social security costs	1,288,010	1,100,605
Pension costs, defined contribution scheme	319,554	239,155
	13,981,214	11,514,462

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Production	288	242
Administration and support	15	13
	303	255

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	769,854	1,490,026
Contributions paid to money purchase schemes	103,199	76,500
	873,053	1,566,526

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2018 £	2017 £
Remuneration	417,349	588,930
Company contributions to money purchase pension schemes	<u>34,400</u>	<u>-</u>

### 8 Auditor's remuneration

	2018 £	2017 £
Audit of the financial statements	<u>10,815</u>	<u>10,500</u>
<b>Other fees to auditors</b>		
Taxation compliance services	5,950	1,500
All other non-audit services	<u>3,772</u>	<u>3,141</u>
	<u>9,722</u>	<u>4,641</u>

### 9 Other interest receivable and similar income

	2018 £	2017 £
Interest income on bank deposits	<u>832</u>	<u>-</u>

### 10 Interest payable and similar expenses

	2018 £	2017 £
Interest expense on other finance liabilities	<u>12,109</u>	<u>6,595</u>

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 11 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	1,240,158	626,708
UK corporation tax adjustment to prior periods	<u>4,459</u>	<u>-</u>
	1,244,617	626,708
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>12,068</u>	<u>(17,737)</u>
Tax expense in the income statement	<u>1,256,685</u>	<u>608,971</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.5%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>6,461,472</u>	<u>3,161,155</u>
Corporation tax at standard rate	1,227,680	616,425
Effect of expense not deductible in determining taxable profit (tax loss)	17,826	18,017
Deferred tax credit relating to changes in tax rates or laws	(878)	(24,687)
Increase in UK and foreign current tax from adjustment for prior periods	4,459	-
Tax decrease arising from group relief	(750)	(784)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>8,348</u>	<u>-</u>
Total tax charge	<u>1,256,685</u>	<u>608,971</u>

### Deferred tax

Deferred tax assets and liabilities

2018

Accelerated capital allowances

Liability  
£

152,968

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

	Liability £
2017	
Accelerated capital allowances	<u>140,900</u>

### 12 Tangible assets

	Freehold Property £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 October 2017	1,807,683	1,844,717	3,886,756	7,539,156
Additions	18,624	753,704	862,021	1,634,349
Disposals	<u>-</u>	<u>(187,706)</u>	<u>(184,917)</u>	<u>(372,623)</u>
At 30 September 2018	<u>1,826,307</u>	<u>2,410,715</u>	<u>4,563,860</u>	<u>8,800,882</u>
<b>Depreciation</b>				
At 1 October 2017	43,347	868,658	1,661,966	2,573,971
Charge for the year	32,658	415,387	461,172	909,217
Eliminated on disposal	<u>-</u>	<u>(119,490)</u>	<u>(108,920)</u>	<u>(228,410)</u>
At 30 September 2018	<u>76,005</u>	<u>1,164,555</u>	<u>2,014,218</u>	<u>3,254,778</u>
<b>Carrying amount</b>				
At 30 September 2018	<u>1,750,302</u>	<u>1,246,160</u>	<u>2,549,642</u>	<u>5,546,104</u>
At 30 September 2017	<u>1,764,336</u>	<u>976,059</u>	<u>2,224,790</u>	<u>4,965,185</u>

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Plant and machinery	69,013	81,192
Motor vehicles	<u>49,916</u>	<u>66,555</u>
	<u>118,929</u>	<u>147,747</u>

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 13 Investment properties

	2018 £
At 1 October	679,893
Additions	<u>1,871,303</u>
At 30 September	<u>2,551,196</u>

Fair value has been estimated with reference to an independent valuation (FRICS FAAV) completed in February 2016. The directors valued the investment property as at 30/09/18 and concluded that fair value was not materially different to current carrying value.

### 14 Investments in subsidiaries, joint ventures and associates

	2018 £	2017 £
Investments in joint ventures	<u>50</u>	<u>50</u>

#### Joint ventures

##### Cost

	£
At 1 October 2017	<u>50</u>
At 30 September 2018	<u>50</u>

##### Carrying amount

	£
At 30 September 2018	<u>50</u>
At 30 September 2017	<u>50</u>

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### Aggregate financial information of joint ventures

	2018 £	2017 £
Total assets	793,014	678,552
Total liabilities	<u>(818,639)</u>	<u>(724,433)</u>
Net liabilities	<u>(25,625)</u>	<u>(45,881)</u>
Revenues	<u>1,636,393</u>	<u>1,428,008</u>
Profit or (loss)	<u>20,256</u>	<u>55,636</u>

### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

#### Joint ventures

Name	Registered address	Holding	2018	2017
B & C Concrete	Harscombe House, 1 Darklake View, Estover, Plymouth, PL6 7TL England and Wales	Ordinary	50%	50%

The principal activity of B & C Concrete is the provision of ready mix concrete.

### 15 Stocks

	2018 £	2017 £
Raw materials	647,799	646,060
Development properties	<u>1,261,538</u>	<u>1,210,238</u>
	<u>1,909,337</u>	<u>1,856,298</u>

The cost of stocks recognised as an expense in the year amounted to £23,241,759 (2017 - £17,520,416).

### Impairment of stocks

The amount of impairment loss included in profit or loss is £Nil (2017 - £Nil).

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 16 Debtors

	Note	2018 £	2017 £
Trade debtors		9,006,183	6,948,427
Retentions		1,331,411	1,029,763
Amounts due from group undertakings	25	15,500	50,500
Amounts due from group joint ventures		252,954	252,954
Other debtors		1,715,508	993,443
Prepayments		279,320	208,699
Accrued income		260,891	305,251
		<u>12,861,767</u>	<u>9,789,037</u>
		<u>12,861,767</u>	<u>9,789,037</u>

#### Details of trade and other debtors

£253,595 (2017 - £388,017) of retentions are classified as non current. This comprises retentions on groundwork contracts due more than one year from the balance sheet date.

The amount of debtors impairment loss included in profit or loss is £55,790 (2017 - £Nil).



# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 17 Creditors

	Note	2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	18	39,114	83,197
Trade creditors		8,076,401	7,294,509
Amounts due to group undertakings	25	482,783	382,836
Corporation tax		601,442	273,668
Social security and other taxes		380,139	356,140
Outstanding defined contribution pension costs		57,668	30,063
Other creditors		214,857	58,972
Accrued expenses		717,466	407,465
		<u>10,569,870</u>	<u>8,886,850</u>
<b>Due after one year</b>			
Loans and borrowings	18	<u>-</u>	<u>42,958</u>

### 18 Loans and borrowings

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>-</u>	<u>42,958</u>

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>39,114</u>	<u>83,197</u>

The bank holds an unlimited debenture dated 26th July 2002, incorporating a fixed and floating charge over all the assets of the company, and a letter of set-off dated 5th May 2008. All finance lease liabilities are secured against the asset to which it relates.

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 19 Obligations under leases and hire purchase contracts

#### Finance leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	42,337	83,197
Later than one year and not later than five years	-	42,958
	<u>42,337</u>	<u>126,155</u>

#### Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	34,732	34,766
Later than one year and not later than five years	90,780	115,752
	<u>125,512</u>	<u>150,518</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £34,806 (2017 - £31,601).

### 20 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 October 2017	140,900	140,900
Increase (decrease) in existing provisions	12,068	12,068
At 30 September 2018	<u>152,968</u>	<u>152,968</u>

### 21 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £319,554 (2017 - £239,155).

Contributions totalling £57,668 (2017 - £30,063) were payable to the scheme at the end of the year and are included in creditors.

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### 22 Share capital

#### Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 23 Dividends

	2018 £	2017 £
Interim dividend of £2,197.97 (2017 - £65.00) per ordinary share	2,197,966	65,000

### 24 Financial instruments

#### Categorisation of financial instruments

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost	<u>12,321,556</u>	<u>9,580,338</u>
	<u>12,321,556</u>	<u>9,580,338</u>
Financial liabilities measured at amortised cost	<u>(10,530,756)</u>	<u>(8,803,653)</u>
	<u>(10,530,756)</u>	<u>(8,803,653)</u>

### 25 Related party transactions

#### Transactions with directors

	At 1 October 2017 £	Advances to directors £	Repaid by director £	At 30 September 2018 £
2018				
Director 1 loan account (creditor)	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Director 2 loan account (creditor)	<u>4,312</u>	<u>(1,499)</u>	<u>2,400</u>	<u>5,213</u>

## Fred Champion Groundworks Limited

### Notes to the Financial Statements

#### Year Ended 30 September 2018

	At 1 October 2016 £	Advances to directors £	Repaid by director £	At 30 September 2017 £
<b>2017</b>				
Director 1 loan account (creditor)	2,000	-	-	2,000
Director 2 loan account (creditor)	4,870	(3,108)	2,550	4,312

#### Key management personnel

Transactions with Directors.

#### Summary of transactions with joint ventures

Entities which are joint ventures of the Champion Groundworks Limited group.

#### Summary of transactions with other related parties

Companies related by common control.

#### Income and receivables from related parties

	Joint ventures £	Key management £	Other related parties £
<b>2018</b>			
Rendering of services	444,379	-	55,015
Rental income	-	11,050	-
	444,379	11,050	55,015
Amounts receivable from related party	74,343	-	10,141
<b>2017</b>			
Rendering of services	640,812	-	114,700
Rental income	-	11,050	-
	640,812	11,050	114,700
Amounts receivable from related party	5,729	-	9,642

# Fred Champion Groundworks Limited

## Notes to the Financial Statements

Year Ended 30 September 2018

### Expenditure with and payables to related parties

	Joint ventures £	Key management £	Other related parties £
<b>2018</b>			
Receipt of services	822,068	-	1,213,897
Purchase of property or other assets	-	500,000	-
	<u>822,068</u>	<u>500,000</u>	<u>1,213,897</u>
Amounts payable to related party	<u>87,829</u>	<u>-</u>	<u>200,698</u>

	Joint ventures £	Other related parties £
<b>2017</b>		
Receipt of services	812,378	1,173,416
Amounts payable to related party	<u>155,091</u>	<u>247,825</u>

### Loans to related parties

	Joint ventures £	Other related parties £
<b>2018</b>		
At start of period	252,954	440,830
Advanced	-	26,209
Repaid	-	(54,996)
At end of period	<u>252,954</u>	<u>412,043</u>

	Joint ventures £	Other related parties £
<b>2017</b>		
At start of period	252,954	473,819
Advanced	-	33,595
Repaid	-	(66,584)
At end of period	<u>252,954</u>	<u>440,830</u>

### 26 Parent and ultimate parent undertaking

The company's immediate parent is Champion Groundworks Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Champion Groundworks Limited. These financial statements are available upon request from Companies House.

The ultimate controlling party are the Directors by virtue of their controlling shareholding in Champion Groundworks Limited.