

HENRY BOOT BIDDENHAM LIMITED

(Company Number: 05901324)

ANNUAL REPORT

2018

THURSDAY



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COMPANY INFORMATION

Directors

J T Sutcliffe
D L Littlewood
N J Duckworth

Company Secretary

A L Oakley (appointed 18 October 2018)
R A Deards (resigned 18 October 2018)

Registered Office

Banner Cross Hall
Ecclesall Road South
Sheffield
United Kingdom
S11 9PD

Registered in England
No. 05901324

Independent Auditors

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

Bankers

Barclays Bank PLC
2 Arena Court
Sheffield
S9 2LF

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2018.

Results and dividend

The profit for the year is set out in the Statement of Comprehensive Income on page 7.

An interim dividend of £nil (2017: £8,000,000) was paid.

The Directors do not recommend the payment of a final dividend (2017: none).

Principal activities

The principal activity of the Company is to improve the marketable status of land purchases prior to the subsequent sales thereof.

Directors

J T Sutcliffe, D L Littlewood and N J Duckworth held office as a Directors of the Company throughout 2018 and up to the date of signing these financial statements.

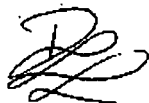
Statement of disclosure of information to auditors

The Directors of the Company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board and signed on behalf of the Board,



D L Littlewood
Director

18 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the Directors are required to:

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

The Directors are 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.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on behalf of the Board,



D L Littlewood
Director

18 April 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BOOT BIDDENHAM LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Henry Boot Biddenham Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HENRY BOOT BIDDENHAM LIMITED (CONTINUED)**

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HENRY BOOT BIDDENHAM LIMITED (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Lee Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

18 April 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Revenue – continuing operations	1	109,330	10,801,269
Cost of sales		(110,484)	(5,818,220)
Gross (loss)/profit		(1,154)	4,983,049
Administrative expenses		(117)	(164)
Operating (loss)/profit		(1,271)	4,982,885
Finance income	4	32,873	27,076
Finance costs	5	(32)	(29,425)
Profit before tax		31,570	4,980,536
Tax	6	(5,998)	(958,582)
Profit for the year from continuing operations		25,572	4,021,954
Total comprehensive income for the year		25,572	4,021,954
Attributable to:			
Owners of the Company		25,572	4,021,954

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
ASSETS			
Non-current assets			
Trade and other receivables	8	1,287,187	1,254,314
		1,287,187	1,254,314
Current assets			
Inventories	7	172,522	1,500
Trade and other receivables	8	2,160,103	3,196,755
Cash and cash equivalents		63	403
		2,332,688	3,198,658
LIABILITIES			
Current liabilities			
Trade and other payables	9	119,550	978,219
		119,550	978,219
Net current assets		2,213,138	2,220,439
Net assets		3,500,325	3,474,753
EQUITY			
Share capital	11	100	100
Retained earnings		3,500,225	3,474,653
Total equity		3,500,325	3,474,753

The financial statements, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, the Accounting Policies and the related notes, were approved by the Board of Directors and authorised for issue on 18 April 2019.

Signed on behalf of the Board



D L Littlewood
Director

Henry Boot Biddenham Limited
Registered in England No. 05901324

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2017	100	7,452,699	7,452,799
Total comprehensive income for the year	-	4,021,954	4,021,954
Dividend paid (Note 13)	-	(8,000,000)	(8,000,000)
At 31 December 2017	100	3,474,653	3,474,753
Total comprehensive income for the year	-	25,572	25,572
At 31 December 2018	100	3,500,225	3,500,325

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Operating (loss)/profit	(1,271)	4,982,885
Operating cash flows before movements in working capital	(1,271)	4,982,885
(Increase)/decrease in inventories	(171,022)	5,580,065
Decrease in receivables	1,036,652	678,041
Increase/(decrease) in payables	93,915	(2,208,184)
Cash inflow from operations	958,274	9,032,807
Interest paid	(32)	-
Tax paid to parent	(958,582)	(1,032,466)
Net cash (outflow)/inflow from operating activities	(340)	8,000,341
Cash flows from financing activities		
Dividends paid	-	(8,000,000)
Net cash outflow from financing activities	-	(8,000,000)
Net (decrease)/increase in cash and cash equivalents	(340)	341
Net cash and cash equivalents at beginning of year	403	62
Net cash and cash equivalents at end of year	63	403

ACCOUNTING POLICIES

General information

The Company is a limited Company incorporated in the UK and domiciled in the UK under the Companies Act 2006. The address of the registered office is given on page 1.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 as applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for financial instruments, which are measured at fair value.

The accounting policies adopted are consistent with those of the previous financial year with the exception of policies for Revenue and Trade Receivables. These policies have been updated following the implementation of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'. Further details can be found in the 'Impact of accounting standards and interpretations' section below.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer excluding amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Where consideration is not specified within the contract and therefore subject to variability, the Company estimates the amount of consideration to be received from its customer. The consideration recognised is the amount which is highly probable not to result in a significant reversal in future periods. Where a modification to an existing contract occurs, the Company assesses the nature of the modification and whether it represents a separate performance obligation required to be satisfied by the Company or whether it is a modification to the existing performance obligation.

The Company has some contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. The Company adjusts its transaction price for the time value of money.

Revenue from the sale of land and properties is generally a single performance obligation which is satisfied at the point in time when control of the land and properties has passed, typically on legal completion when legal title has transferred.

Variable consideration such as overages are estimated based on the amount of consideration the Company expects to be entitled to, taking into account the terms which may give rise to variability. This is estimated at contract inception and reassessed over the life of the contract.

Revenue from operating leases is recognised on a straight line basis over the lease term, except for contingent rental income which is recognised when it arises.

ACCOUNTING POLICIES (CONTINUED)

Critical judgements in applying IFRS 15 Revenue from Contracts with Customers

The following are the critical judgements in applying accounting policies that the Directors have made in the process of applying IFRS 15 Revenue from Contracts with Customers and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Judgement in determining the recognition of revenue at a point in time on land sale contracts – there is often judgement involved in evaluating when a customer obtains control of land during a sale, particularly where the contract includes licencing, risk or deferred payment term clauses. In determining the revenue recognition Directors consider the present right for payment, legal title, physical possession, risks and rewards of ownership and acceptance of the asset in forming their opinion. Where necessary third party advice is taken.

Financial risk

The objectives, policies and processes for managing financial risk are performed on a Group wide basis and disclosed in the financial statements of Henry Boot PLC.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value and are subject to regular impairment reviews.

Inventories comprise all the direct costs incurred in bringing the individual inventories to their present state at the reporting date less the value of any impairment losses.

Impairment reviews are considered by management at each reporting date, write-downs or reversals are made to ensure that inventory is then stated at the lower of cost or net realisable value.

Net realisable value is considered in the light of progress made in the planning process, feedback from local planning officers, development appraisals and other external factors that might be considered likely to influence the eventual outcome. Where it is considered that no future economic benefit will arise, costs are written off to the Statement of Comprehensive Income.

Where individual parcels of land held for development are disposed of out of a larger overall development site, costs are apportioned based on an acreage allocation after taking into account the cost or net realisable value of any remaining residual land which may not form part of the overall development site or which may not be available for development. Where the Company retains obligations attached to the development site as a whole, provisions are made relating to these disposals on the same acreage allocation basis.

Tax

The tax charge on the profit or loss for the year comprises the sum of tax currently payable and any deferred tax movements in the period.

Corporation tax liabilities of the Company are transferred to and paid by the Parent Company and credit is received from the Parent Company for loss relief surrendered.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computing taxable profits. The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Provision for tax is made at the appropriate rate anticipated to apply at the time of payment.

ACCOUNTING POLICIES (CONTINUED)

Dividends

Dividends are only recognised as in the actual period in which they are declared.

Share capital

Ordinary shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments

Financial assets or financial liabilities are recognised by the Company in the Statement of Financial Position only when the Company becomes a party to the contractual provisions of the instrument.

The principal financial instruments are:

- Trade and other receivables which are measured initially at fair value and then at amortised cost — where the time value of money is material, receivables are amortised using the effective interest rate method. IFRS 9's simplified approach to provisioning is used to calculate the Company's lifetime expected credit risk;
- Cash and cash equivalents which comprise cash at bank and in hand; and
- Trade and other payables which are on normal credit terms, are not interest bearing and are stated at their nominal values. Where the time value of money is material, payables are carried at amortised cost using the effective interest rate method (see Interest income and expense below).

Interest income and expense

Interest income and expense are recognised within 'Finance income' and 'Finance costs' in the Statement of Comprehensive Income using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability.

Capital management

The objectives, policies and processes for managing capital are performed on a 'Group wide basis and disclosed in the financial statements of Henry Boot PLC. This is unchanged from the previous year.

Critical accounting estimates and judgments

The critical judgement in applying the Company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements relate to revenue recognition on land sales contracts. These are referred to above and are interpreted by management in the light of IFRS 15 'Revenue from Contracts with Customers'.

The key estimates and judgement concerning the future and other key sources of estimation uncertainty at the reporting date, and that could have a material adjustment to the carrying amounts of assets and liabilities over the ensuing year, are the impairment reviews of land, option and agency costs carried forward in inventories, and provisions. The amounts recognised in relation to provisions are based on assumptions in respect of cost estimates, the timing of cash flows and discount rates used.

ACCOUNTING POLICIES (CONTINUED)

Impact of accounting standards and interpretations

At the date of authorisation of these Financial Statements, the following standards, amendments and interpretations to existing standards are effective or mandatory for the first time for the accounting year ended 31 December 2018:

		Effective from
IFRIC 22 (amended 2016)	'Foreign Currency Transactions and Advance Consideration'	1 January 2018
IAS 40 (amended 2016)	'Transfers of Investment Property'	1 January 2018
IFRS 2 (amended 2016)	'Classification and Measurement of Share-based Payment Transactions'	1 January 2018
IFRS 4 (amended 2016)	'Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts'	1 January 2018
IFRS 15 (issued 2014)	'Revenue from Contracts with Customers'	1 January 2018
IFRS 15 (amended 2016)	'Revenue from Contracts with Customers'	1 January 2018
IFRS 9 (issued 2014)	'Financial Instruments'	1 January 2018

At the date of the authorisation of these Financial Statements, the following standards, amendments and interpretations were in issue but not yet effective:

IFRS 9 (issued 2017)	'Payments Features with Negative Compensation'	1 January 2019
IFRS 16 (issued 2016)	'Leases'	1 January 2019
IFRS 17 (issued 2017)	'Insurance Contracts'	1 January 2021*
IFRIC 23 (amended 2017)	'Uncertainty over Income Tax Treatments'	1 January 2019*
IAS 28 (amended 2017)	'Long-term Interests in Associates and Joint Ventures'	1 January 2019*
Annual improvements (issued 2017)	'Annual Improvements to IFRSs 2015–2017 Cycle'	1 January 2019*
IAS 19 (amended 2018)	'Plan Amendment, Curtailment or Settlement'	1 January 2019*

* Not yet endorsed by the EU.

A review of the impact of these standards, amendments and interpretations has been conducted and the Directors do not believe that they will give rise to any significant financial impact except as noted below.

In 2018, the Company did not early adopt any new or amended standards and does not plan to early adopt any of the standards issued but not yet effective.

Adoption of the following standards effective from 1 January 2018 are significant to the Company

IFRS 15 'Revenue from Contracts with Customers'

IFRS15 was issued by the IASB in May 2014 and became effective for accounting periods beginning on or after 1 January 2018. The standard outlines the principles entities must apply to measure and recognise revenue with the core principle being that entities should recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to a customer. IFRS 15 introduces a five-step approach to revenue recognition and far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

In accordance with the transition provisions in IFRS 15 the new rules have been adopted under the full retrospective approach and apart from providing more extensive disclosure on the Company's revenue transactions, did not result in a material adjustment to the opening balance sheet.

While no material adjustment is required to opening reserves the standard may affect future transactions including; repurchase agreements to be accounted for as financing arrangements and the advanced recognition of contingent consideration (including overage receipts on the Company's land promotion activities). The new standard has resulted in a change to the Company's accounting policy for revenue which has been applied to transactions from 1 January 2017 and is presented on page 11 although there is no impact on the statement of comprehensive income in either the current or prior year.

ACCOUNTING POLICIES (CONTINUED)

IFRS 9 'Financial Instruments'

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 'Financial Instruments: Recognition and Measurement'.

The classification and measurement of financial liabilities and derivative instruments remains unchanged from IAS 39. Under IFRS 9, a financial asset is now classified on initial recognition as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). Applying this classification to the Company's financial assets does not result in changes to the accounting: trade receivables and cash and cash equivalents continue to be recognised at amortised cost and certain other non-current financial assets continue to be recognised at FVTPL.

In respect of accounting for trade and other receivables, the Company has applied IFRS 9's simplified approach to provisioning and has calculated this using lifetime expected losses. This calculation has had no material impact on the financial statements.

As a result of adopting IFRS 9, the accounting policy for trade receivables has been revised and is presented within the financial instruments policy above.

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue – continuing operations	2018	2017
	£	£

An analysis of revenue is as follows:

Land promotion (recognised at a point in time)	109,290	10,801,269
Rents received	40	-
	109,330	10,801,269

2. Directors and employees	2018	2017
	Number	Number
Average monthly number of persons employed (including Directors):		
Directors	3	3
Company secretary	1	1
	4	4

3. Emoluments of Directors and employees

The Directors and the Company Secretary, who are the key management personnel of the Company, received no remuneration from this Company during the current or the prior financial year for their services to this Company. The Directors and the Company Secretary are remunerated by either the ultimate Parent Company or the immediate Parent Company for their services and it is considered that the amount receivable in respect of qualifying services to this Company is £nil (2017: £nil).

4. Finance income	2018	2017
	£	£
Unwinding of discounting	32,873	27,076

5. Finance costs	2018	2017
	£	£
Unwinding of discounting	-	(29,425)
Interest on bank overdrafts	(32)	-
	(32)	(29,425)

6. Tax	2018	2017
	£	£
a) Analysis of charge in year:		
Current tax:		
Corporation tax charge at 19.00% (2017: 19.25%) on the profit (2017: profit) for the year	5,998	958,582
Total tax charge	5,998	958,582

b) Factors affecting tax charge for year:

There is no difference (2017: no difference) between the tax assessed for the year and the standard rate of corporation tax in the United Kingdom of 19.00% (2017: 19.25%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7.	Inventories	2018	2017
		£	£
	Land held for development or sale	172,522	1,500
8.	Trade and other receivables	2018	2017
		£	£
	Trade receivables and prepayments	1,418,357	1,292,136
	Amounts owed by group undertakings		
	- Fellow subsidiaries	2,028,933	3,158,933
		3,447,290	4,451,069
	Due within one year	2,160,103	3,196,755
	Due after more than one year	1,287,187	1,254,314
		3,447,290	4,451,069

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

9.	Trade and other payables	2018	2017
		£	£
	Trade payables	80,023	-
	Social security and other taxes	33,529	19,637
	Amounts owed to group undertakings		
	- Parent Company in respect of tax	5,998	958,582
		119,550	978,219
	Due within one year	119,550	978,219
	Due after more than one year	-	-
		119,550	978,219

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

10. Credit risk

The Company's principal financial assets are bank balances and cash, and trade and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

Other than amounts owed by group undertakings, the Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and their assessment of the current economic environment.

Credit losses expected with group undertakings are based on the assumption that repayment of the loan is demanded at the reporting date. Where there are insufficient liquid assets the Company considers the expected manner of recovery to measure expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Credit risk (continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk in respect of trade receivables.

11. Share capital

The authorised share capital throughout the current and preceding year consisted of 100 ordinary shares of £1 each, all of which were allotted and fully paid.

12. Guarantees

The Company, together with certain other companies in the Group, has given cross guarantees to certain of the Group's bankers and bondsmen in respect of facilities available to Group undertakings in the normal course of business. At the year end amounts drawn against these facilities were £15.0m (2017: £25.0m) and £17.6m (2017: £12.7m) respectively. In the opinion of the Directors, no loss is expected to arise in connection with these matters.

13. Dividend paid

	2018 £	2017 £
Paid during the year £nil per share (2017: £80,000 per share)	-	8,000,000

14. Related parties

The Company's ultimate Parent Company and ultimate controlling party is Henry Boot PLC, a Company registered in England & Wales. The only group of undertakings of which the Company is a member is the Henry Boot PLC Group. Copies of the financial statements of this Group can be obtained from Banner Cross Hall, Ecclesall Road South, Sheffield, S11 9PD.

Auditors' remuneration is borne by a fellow subsidiary, Hallam Land Management in both the current and prior year.

Transactions between the Company and its related parties are shown below:

	2018 £	2017 £
Tax paid to parent	958,582	1,032,466

Amounts owed by or to group companies as disclosed in notes 8 & 9, respectively; are unsecured, repayable on demand and will be settled in cash. Interest is annually charged at 3.5% and received at 2.0% on borrowings and lendings respectively of actively trading group companies. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.