

Registration number: NI010644

Creagh Concrete Products Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2017

McKeague Morgan & Company
27 College Gardens
Belfast
BT9 6BS

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Creagh Concrete Products Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12 to 13
Notes to the Financial Statements	14 to 26

Creagh Concrete Products Limited

Company Information

Directors	Mr Seamus McKeague
	Mr Gerard McKeague
	Mr Patrick McKeague
	Mr Dwyer Magee
	Mr James McKeague
	Mr Eunan Rafferty
	Mr Ian Brogan
	Mr Brendan McGlone
	Mr Paul Feely
	Mr William Doherty
	Mrs Lorna McMullan
Company secretary	Miss Catherine McKeague
Registered office	38 Blackpark Road Toomebridge County Antrim BT41 3SL
Solicitors	Donaghy Carey & Company 45-47 Rosemary Street Belfast BT1 1QB
Auditors	McKeague Morgan & Company 27 College Gardens Belfast BT9 6BS

Creagh Concrete Products Limited

Strategic Report

For the Year Ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

Principal activity

Established in 1976, the company has grown to become one of the largest and most innovative purveyors of concrete products for a diverse range of market sectors throughout the UK. In recent years the company has transformed itself from a regional product supplier to a national specialist sub-contractor to some of the largest commercial and residential construction companies in the UK, providing an holistic service of engineering design, manufacture, delivery and installation of structural, flooring, façade and other concrete products.

Fair review of the business

The level of business during the year and the year end financial position have continued to improve, as the company continues to build on profitability. The results for the year ended 31 March 2017 record a profit after tax of £3,022,734 (2016 : £4,273,003).

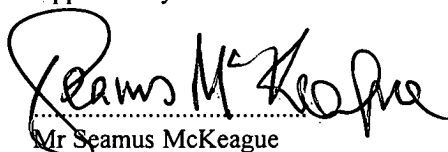
The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£'000	79,926	69,796
Gross Profit	£'000	31,341	30,763
Gross margin	%	39	44
EBITDA	£'000	5,693	6,870
Profit after tax	£'000	3,023	4,273
Net profit percentage	%	4	6
Current assets as % of current liabilities	%	135	136

Principal risks and uncertainties

The company's operations expose it to a variety of business and financial risks. The company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The principal risks and uncertainties affecting the company are considered to relate to competition from national and local competitors, products' liability, contracts' pricing and performance.

Approved by the Board on 5 June 2017 and signed on its behalf by:



Mr Seamus McKeague
Director

Creagh Concrete Products Limited

Directors' Report For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors of the company

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

Mr Seamus McKeague

Mr Gerard McKeague

Mr Patrick McKeague

Mr Dwyer Magee

Mr James McKeague

Mr Eunan Rafferty

Mr Ian Brogan

Mr Brendan McGlone

Mr Paul Feely

Mr William Doherty

Mrs Lorna McMullan

Financial instruments

Objectives and policies

The company's operations expose it to a variety of financial risks that include price, credit, liquidity and foreign exchange risk. The company has in place a risk management programme that seeks to limit adverse effects on its financial performance.

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

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made, together with credit insurance cover on certain debts. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

Liquidity and cash flow risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for its operations and planned expansions.

Foreign exchange risk

The operations of the company are mainly in the United Kingdom, and as a result its direct exposure to foreign exchange risk is limited.

Creagh Concrete Products Limited

Directors' Report

For the Year Ended 31 March 2017

Employment of disabled persons

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

Employee involvement

Consultation with employees or their representative has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Research and development

The company has continued to invest in research and development throughout the year, investing in expanding the SpanTHERM range, investing in innovative mix developments and developing new technologies to appreciably improve engineering/ production processes.

Going concern

The company's business activities and its financial position are described in the Strategic Report.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

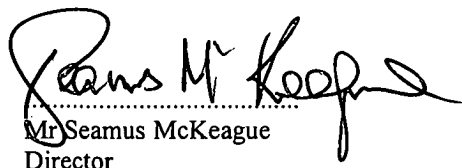
Disclosure of information to the auditors

Each director has taken 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.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of McKeague Morgan & Company as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 5 June 2017 and signed on its behalf by:


Mr Seamus McKeague
Director

Creagh Concrete Products 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 and are in accordance with FRS 102. 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.

Creagh Concrete Products Limited

Independent Auditor's Report to the Members of Creagh Concrete Products Limited

We have audited the financial statements of Creagh Concrete Products Limited for the year ended 31 March 2017, set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

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.

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.

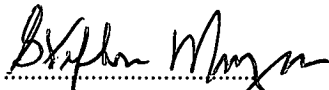
Creagh Concrete Products Limited

Independent Auditor's Report to the Members of Creagh Concrete Products Limited

Matters on which we are required to report by exception

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.



Stephen Morgan (Senior Statutory Auditor)

For and on behalf of McKeague Morgan & Company, Statutory Auditor

27 College Gardens
Belfast
BT9 6BS

5 June 2017

Creagh Concrete Products Limited

Profit and Loss Account For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	3	79,926,083	69,796,280
Cost of sales		<u>(48,584,967)</u>	<u>(39,032,968)</u>
Gross profit		31,341,116	30,763,312
Distribution costs		(15,734,171)	(15,328,439)
Administrative expenses		(12,305,773)	(10,577,879)
Other operating income	4	<u>282,394</u>	<u>79,940</u>
Operating profit	6	<u>3,583,566</u>	<u>4,936,934</u>
Interest payable and similar expenses	7	<u>(296,022)</u>	<u>(528,042)</u>
		<u>(296,022)</u>	<u>(528,042)</u>
Profit before tax		3,287,544	4,408,892
Taxation	11	<u>(264,810)</u>	<u>(135,889)</u>
Profit for the financial year		<u><u>3,022,734</u></u>	<u><u>4,273,003</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.

Creagh Concrete Products Limited

Statement of Comprehensive Income For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Profit for the year		<u>3,022,734</u>	<u>4,273,003</u>
Total comprehensive income for the year		<u>3,022,734</u>	<u>4,273,003</u>

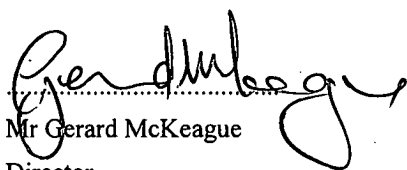
Creagh Concrete Products Limited

(Registration number: NI010644)

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	45,000	45,000
Tangible assets	13	15,326,195	13,007,878
Investment property	14	90,000	90,000
		<u>15,461,195</u>	<u>13,142,878</u>
Current assets			
Stocks	15	3,768,447	2,979,746
Debtors	16	16,608,501	13,930,929
Cash at bank and in hand		3,541,058	2,231,252
		<u>23,918,006</u>	<u>19,141,927</u>
Creditors: Amounts falling due within one year	18	<u>(18,629,549)</u>	<u>(13,799,582)</u>
Net current assets		<u>5,288,457</u>	<u>5,342,345</u>
Total assets less current liabilities		<u>20,749,652</u>	<u>18,485,223</u>
Creditors: Amounts falling due after more than one year	18	<u>(6,616,338)</u>	<u>(7,374,644)</u>
Net assets		<u>14,133,314</u>	<u>11,110,579</u>
Capital and reserves			
Called up share capital	19	3,040	3,040
Capital redemption reserve	20	240	240
Profit and loss account	20	14,130,034	11,107,299
Total equity		<u>14,133,314</u>	<u>11,110,579</u>

Approved and authorised by the Board on 5 June 2017 and signed on its behalf by:


 Mr Gerard McKeague
 Director

Creagh Concrete Products Limited

Statement of Changes in Equity For the Year Ended 31 March 2017

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2016	3,040	240	11,107,300	11,110,580
Profit for the year	-	-	3,022,734	3,022,734
Total comprehensive income	-	-	3,022,734	3,022,734
At 31 March 2017	<u>3,040</u>	<u>240</u>	<u>14,130,034</u>	<u>14,133,314</u>

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2015	3,040	240	7,200,561	7,203,841
Profit for the year	-	-	4,273,003	4,273,003
Total comprehensive income	-	-	4,273,003	4,273,003
Dividends	-	-	(366,265)	(366,265)
At 31 March 2016	<u>3,040</u>	<u>240</u>	<u>11,107,299</u>	<u>11,110,579</u>

The notes on pages 14 to 26 form an integral part of these financial statements.

Creagh Concrete Products Limited

Statement of Cash Flows For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		3,022,734	4,273,003
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	1,988,736	1,765,850
Impairment of tangible fixed assets		120,732	167,000
Profit on disposal of tangible assets	5	(17,228)	(39,701)
Profit from disposals of investments	5	-	(540,200)
Finance costs	7	296,022	528,042
Corporation tax expense	11	264,810	135,889
		<u>5,675,806</u>	<u>6,289,883</u>
Working capital adjustments			
(Increase)/decrease in stocks	15	(788,701)	519,698
(Increase)/decrease in trade debtors		(2,473,549)	1,114,037
Increase in other debtors and prepayments	16	(204,024)	(786,029)
Increase in trade creditors		2,716,136	2,012,810
Increase/(decrease) in other creditors and accruals	18	724,340	(3,088,485)
Increase in deferred payments for purchased fixed assets		<u>1,150,000</u>	<u>-</u>
Cash generated from operations		6,800,008	6,061,914
Corporation tax paid	11	<u>(113,898)</u>	<u>(53,747)</u>
Net cash flow from operating activities		<u>6,686,110</u>	<u>6,008,167</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(4,502,432)	(2,141,878)
Proceeds from sale of tangible assets		91,876	39,700
Proceeds from disposal of investments in joint ventures and associates		<u>-</u>	<u>540,250</u>
Net cash flows from investing activities		<u>(4,410,556)</u>	<u>(1,561,928)</u>
Cash flows from financing activities			
Interest paid	7	(296,022)	(528,042)
Proceeds from bank borrowing draw downs		143,995	1,911,005
Repayment of bank borrowing		(1,285,500)	(1,550,000)
Proceeds from other borrowing draw downs		82,588	52,129
Repayment of other borrowing		(24,512)	-
Proceeds from finance lease creditors		738,483	430,414
Payments to finance lease creditors		(324,780)	(580,475)
Dividends paid	23	<u>-</u>	<u>(366,265)</u>
Net cash flows from financing activities		<u>(965,748)</u>	<u>(631,234)</u>
Net increase in cash and cash equivalents		1,309,806	3,815,005

The notes on pages 14 to 26 form an integral part of these financial statements.

Creagh Concrete Products Limited

Statement of Cash Flows For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash and cash equivalents at 1 April		<u>2,231,252</u>	<u>(1,583,753)</u>
Cash and cash equivalents at 31 March		<u><u>3,541,058</u></u>	<u><u>2,231,252</u></u>

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in the United Kingdom.

The address of its registered office is:

38 Blackpark Road
Toomebridge
County Antrim
BT41 3SL

These financial statements were authorised for issue by the Board on 5 June 2017.

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the Company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Tax

The tax expense for the period comprises current 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.

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

The current income 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.

Tangible assets

Tangible assets are stated in the statement of financial position 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:

Asset class	Depreciation method and rate
Freehold buildings	5% straight line
Leasehold buildings	5%-15% straight line
Quarry land	20% straight line
Plant & machinery	20% straight line
Commercial vehicles	20% straight line
Motor vehicles	20% straight line
Fixtures & fittings	20% straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. 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.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

The liquor licence is carried at cost less any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Liquor licence	Not amortised

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business and where receivable within one year are recorded at transaction price.

Trade debtors receivable after more than one year are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

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 finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Current liabilities are recorded at transaction price. Non-current liabilities are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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.

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Revenue

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

	2017 £	2016 £
Concrete Products	79,005,722	68,753,128
Restaurant and Bar	920,361	1,043,152
	<u>79,926,083</u>	<u>69,796,280</u>

4 Other operating income

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

	2017 £	2016 £
Invest to Grow (ITG)	37,395	-
Other grants	244,999	79,940
	<u>282,394</u>	<u>79,940</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017 £	2016 £
Gain (loss) on disposal of property, plant and equipment	17,228	39,701
Gain (loss) from disposals of investments	-	540,200
	<u>17,228</u>	<u>579,901</u>

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

6 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	1,988,736	1,765,850
Impairment loss	120,732	167,000
Profit on disposal of property, plant and equipment	<u>(17,228)</u>	<u>(39,701)</u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	266,404	456,558
Interest on obligations under finance leases and hire purchase contracts	<u>29,618</u>	<u>71,484</u>
	<u>296,022</u>	<u>528,042</u>

8 Staff costs

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

	2017 £	2016 £
Wages and salaries	16,522,695	15,372,834
Other employee expense	<u>1,104,655</u>	<u>973,091</u>
	<u>17,627,350</u>	<u>16,345,925</u>

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

	2017 No.	2016 No.
Production	376	370
Administration and support	99	95
Sales	<u>22</u>	<u>21</u>
	<u>497</u>	<u>486</u>

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	<u>1,097,233</u>	<u>971,464</u>

In respect of the highest paid director:

	2017	2016
	£	£
Remuneration	<u>120,000</u>	<u>108,750</u>

10 Auditors' remuneration

	2017	2016
	£	£
Audit of the financial statements	<u>42,500</u>	<u>35,500</u>

11 Taxation

Tax charged/(credited) in the income statement

	2017	2016
	£	£
Current taxation		
UK corporation tax	292,668	135,889
UK corporation tax adjustment to prior periods	<u>(27,858)</u>	<u>-</u>
	<u>264,810</u>	<u>135,889</u>

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>3,287,544</u>	<u>4,408,892</u>
Corporation tax at standard rate	657,509	881,778
Effect of revenues exempt from taxation	(2,107)	-
Increase (decrease) from effect of tax incentives	(455,884)	(555,088)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(27,858)	-
Tax increase (decrease) from effect of capital allowances and depreciation	118,662	96,444
Tax increase (decrease) from effect of unrelieved tax losses carried forward	(22,066)	(279,304)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(3,446)</u>	<u>(7,941)</u>
Total tax charge	<u>264,810</u>	<u>135,889</u>

12 Intangible assets

	Licences £	Total £
Cost or valuation		
At 1 April 2016	<u>45,000</u>	<u>45,000</u>
At 31 March 2017	<u>45,000</u>	<u>45,000</u>
Amortisation		
Carrying amount		
At 31 March 2017	<u>45,000</u>	<u>45,000</u>
At 31 March 2016	<u>45,000</u>	<u>45,000</u>

Creagh Concrete Products Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

13 Tangible assets

	Freehold land and buildings £	Short leasehold land and buildings £	Quarry Land £	Plant & machinery £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 April 2016	11,777,943	1,343,021	3,231,736	23,097,401	1,822,678	2,843,751	44,116,530
Additions	29,280	174,624	1,407,000	2,306,992	407,786	176,750	4,502,432
Disposals	-	-	-	(150,408)	-	(249,439)	(399,847)
At 31 March 2017	11,807,223	1,517,645	4,638,736	25,253,985	2,230,464	2,771,062	48,219,115
Depreciation							
At 1 April 2016	3,208,329	521,990	2,941,622	20,576,578	1,601,448	2,258,685	31,108,652
Charge for the year	406,946	45,599	290,114	973,287	98,979	173,779	1,988,704
Eliminated on disposal	-	-	-	(150,408)	-	(174,791)	(325,199)
Impairment	93,553	27,210	-	-	-	-	120,763
At 31 March 2017	3,708,828	594,799	3,231,736	21,399,457	1,700,427	2,257,673	32,892,920
Carrying amount							
At 31 March 2017	8,098,395	922,846	1,407,000	3,854,528	530,037	513,389	15,326,195
At 31 March 2016	8,569,614	821,031	290,114	2,520,823	221,230	585,066	13,007,878

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

Impairment

Land and buildings

The directors have reviewed the carrying value of the land and buildings held by the company. The amount of impairment loss included in profit or loss is £120,763 (2016 - £167,000).

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:

	2017	2016
	£	£
Plant and machinery	1,219,940	424,373
Motor vehicles	242,698	370,028
	<u>1,462,638</u>	<u>794,401</u>

14 Investment properties

	2017	2016
	£	£
At 1 April	<u>90,000</u>	<u>90,000</u>

15 Stocks

	2017	2016
	£	£
Raw materials and consumables	1,340,788	905,805
Finished goods and goods for resale	2,427,659	2,073,941
	<u>3,768,447</u>	<u>2,979,746</u>

16 Debtors

	2017	2016
	£	£
Trade debtors	14,479,603	12,006,054
Other debtors	888,531	386,746
Prepayments	304,229	380,012
Amounts due from customers for contract work in progress	936,138	1,158,117
	<u>16,608,501</u>	<u>13,930,929</u>

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

17 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	4,458	4,459
Cash at bank	3,536,600	2,226,793
	<u>3,541,058</u>	<u>2,231,252</u>

18 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	21	1,618,665	1,530,086
Trade creditors		11,802,064	9,085,928
Social security and other taxes		1,648,395	705,857
Amounts owed to related parties	26	-	800,000
Accrued expenses		2,123,624	1,541,822
Deferred payments for purchased fixed assets		1,150,000	-
Corporation tax liability	11	286,801	135,889
		<u>18,629,549</u>	<u>13,799,582</u>
Due after one year			
Loans and borrowings	21	<u>6,616,338</u>	<u>7,374,644</u>

19 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary class A shares of £1 each	2,280	2,280	2,280	2,280
Ordinary class B shares of £1 each	760	760	760	760
	<u>3,040</u>	<u>3,040</u>	<u>3,040</u>	<u>3,040</u>

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

20 Reserves

Share capital

This records the nominal value of shares issued by the company

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company

Profit & loss account

This reserve records the retained earnings held by the company. This reserve is distributable in full.

21 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	1,313,000	1,280,000
Finance lease liabilities	248,816	221,965
Other borrowings	56,849	28,121
	<u>1,618,665</u>	<u>1,530,086</u>
	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	5,906,500	7,081,005
Finance lease liabilities	645,762	258,911
Other borrowings	64,076	34,728
	<u>6,616,338</u>	<u>7,374,644</u>

Bank borrowings

The bank loan is denominated in sterling with an interest rate of 2.5% above the bank's base rate and the maturity date is 6 April 2021. The carrying amount at year end is £7,219,500 (2016 - £8,361,005). First Trust Bank holds a mortgage debenture incorporating a Fixed & floating Charge over all company assets present & future as security for this loan. The company is due to make quarterly capital repayments of £328,250 each.

Other borrowings

The Carbon Trust loan with a carrying amount of £43,618 (2016 - £62,849) is denominated in sterling with a nominal interest rate of 0%. The final instalment is due on 31 March 2019. The company is due to make monthly repayments of £1,447

The University of Derby loan with a carrying amount of £77,307 (2016 - £Nil) is denominated in sterling with a nominal interest rate of 1.84%. The final instalment is due on 1 December 2019. The company is due to make monthly repayments of £2,500 comprising both capital and interest

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

22 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	248,811	221,964
Later than one year and not later than five years	<u>645,767</u>	<u>258,911</u>
	<u><u>894,578</u></u>	<u><u>480,875</u></u>

23 Dividends

	2017	2016
	£	£
Interim dividend of £Nil (2016 - £120.48) per ordinary share	<u>-</u>	<u>366,265</u>

24 Commitments

Capital commitments

The company has committed to purchasing land and property for total consideration of £492,000 and commercial vehicles costing £440,000. The total amount contracted for but not provided in the financial statements was £932,000 (2016 - £Nil).

25 Contingent liabilities

There is a contingent liability in relation to any costs that may arise in relation to an accident that occurred in March 2017 in one of the company's factories. Further contingent liabilities exist in relation to the company's exposure to bonds totalling £594,731.

Creagh Concrete Products Limited

Notes to the Financial Statements For the Year Ended 31 March 2017

26 Related party transactions

Summary of transactions with other related parties

A loan previously received from the Creagh Concrete Products Limited 1989 Retirement Benefit Scheme was repaid in full this year. Seamus McKeague, Gerard McKeague and Patrick McKeague are directors of the company and Trustees of Creagh Concrete Products Limited 1989 Retirement Benefit Scheme.

Loans to related parties

	Key management £
2017	
Advanced	115,284
	<hr/>
	Joint ventures £
2016	
At start of period	210,118
Repaid	(210,118)
	<hr/>
At end of period	-

Loans from related parties

		Other related parties £
2017		
At start of period		800,000
Repaid		(800,000)
		<hr/>
At end of period		-
	<hr/>	<hr/>
	Key management £	Other related parties £
2016		
At start of period	180,984	760,299
Advanced	-	9,520
Repaid	(180,984)	-
Interest transactions	-	30,181
	<hr/>	<hr/>
At end of period	-	800,000

27 Parent and ultimate parent undertaking

The ultimate controlling party is Messrs Gerard, Seamus and Patrick McKeague who own 100% of the ordinary A shares.