

Company Registration No. 02763306 (England and Wales)

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2005



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JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

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JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2005

The directors present their report and financial statements for the year ended 31 January 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of civil engineers.

There has been no significant change in the activities during the year.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £100,000. The directors do not recommend payment of a final dividend.

Future developments

The directors anticipate no significant change in the company's activities in the foreseeable future. There have been no events since the end of the year which require comment by the directors.

Directors

The following directors have held office since 1 February 2004:

James Henry
Patrick Henry
John G Henry

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 January 2005	1 February 2004
James Henry	-	-
Patrick Henry	-	-
John G Henry	-	-

The company is a wholly owned subsidiary of John Henry & Sons (Holdings) Limited. The directors interests in the shares of John Henry & Sons (Holdings) Limited as recorded in the register of directors' interests were as follows:

	Ordinary shares of £1 each	
	31 January 2005	1 February 2004
James Henry	48	48
Patrick Henry	48	48
John G Henry	48	48

Charitable contributions

During the year the company made donations of a charitable nature amounting to £950 (2004 - £1,200).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Price Bailey LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

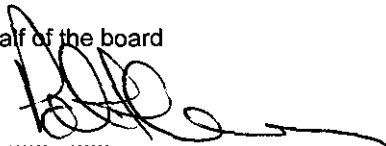
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the board



Patrick Henry

Director

7/7/05

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

INDEPENDENT AUDITORS' REPORT TO JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 January 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

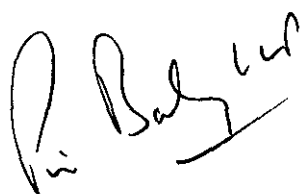
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.

Price Bailey LLP

Chartered Accountants
Registered Auditor



7 July 2005

The Quorum
Barnwell Road
Cambridge
CB5 8RE

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2005

	Notes	2005 £	2004 £
Gross profit		1,656,003	1,562,945
Administrative expenses		(1,385,277)	(1,214,288)
Operating profit	2	<u>270,726</u>	<u>348,657</u>
Interest payable and similar charges	3	(10,111)	(7,931)
Profit on ordinary activities before taxation		<u>260,615</u>	<u>340,726</u>
Tax on profit on ordinary activities	4	(105,366)	(121,544)
Profit on ordinary activities after taxation		<u>155,249</u>	<u>219,182</u>
Dividends	5	(100,000)	-
Retained profit for the year	14	<u>55,249</u>	<u>219,182</u>

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

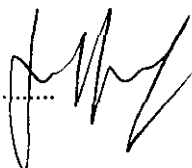
ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	6	155,853		198,381	
Tangible assets	7	16,698		13,824	
			<u>172,551</u>		<u>212,205</u>
Current assets					
Stocks	8	141,612		113,630	
Debtors	9	1,320,024		1,247,364	
			<u>1,461,636</u>		<u>1,360,994</u>
Creditors: amounts falling due within one year	10	<u>(1,051,764)</u>		<u>(1,046,674)</u>	
Net current assets			<u>409,872</u>		<u>314,320</u>
Total assets less current liabilities			<u>582,423</u>		<u>526,525</u>
Provisions for liabilities and charges	11		<u>(1,924)</u>		<u>(1,275)</u>
			<u>580,499</u>		<u>525,250</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		580,399		525,150
Shareholders' funds - equity interests	15		<u>580,499</u>		<u>525,250</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 17/1/2005

James Henry
Director



JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2005

	2005		2004	
	£	£	£	£
Net cash inflow from operating activities		240,569		46,569
Returns on investments and servicing of finance				
Interest paid	(10,111)		(7,931)	
Net cash outflow for returns on investments and servicing of finance		(10,111)		(7,931)
Taxation		(125,283)		(36,149)
Capital expenditure				
Payments to acquire tangible assets	(5,175)		(2,489)	
Net cash outflow for capital expenditure		(5,175)		(2,489)
Equity dividends paid		(100,000)		-
Net cash outflow before management of liquid resources and financing		-		-
Decrease in cash in the year		-		-

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005	2004
		£	£
	Operating profit	270,726	348,657
	Depreciation of tangible assets	2,301	2,701
	Amortisation of intangible assets	42,528	42,528
	Loss on disposal of tangible assets	-	309
	Increase in stocks	(27,982)	(72,697)
	(Increase)/decrease in debtors	(72,660)	8,297,920
	Increase/(decrease) in creditors within one year	25,656	(8,572,849)
	Net cash inflow from operating activities	240,569	46,569

2	Analysis of net debt	1 February 2004	Cash flow	Other non-cash changes	31 January 2005
		£	£	£	£
	Net cash:				
	Net debt	-	-	-	-

3	Reconciliation of net cash flow to movement in net debt	2005	2004
		£	£
	Decrease in cash in the year	-	-
	Movement in net debt in the year	-	-
	Opening net debt	-	-
	Closing net debt	-	-

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% per annum on the reducing balance
Fixtures and fittings	15% per annum on the reducing balance
Motor vehicles	25% per annum on the reducing balance

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with Financial Reporting Standard 17 - Retirement Benefits.

1.9 Deferred taxation

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

2 Operating profit	2005 £	2004 £
Operating profit is stated after charging:		
Amortisation of intangible assets	42,528	42,528
Depreciation of tangible assets	2,301	2,701
Loss on disposal of tangible assets	-	309
Operating lease rentals		
- Plant and machinery	550,000	450,000
- Other assets	965	10,443
Auditors' remuneration	7,550	7,300

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

3	Interest payable and similar charges	2005	2004
		£	£
	On bank loans and overdrafts	934	39
	Other interest	9,177	7,892
		<u>10,111</u>	<u>7,931</u>
4	Taxation	2005	2004
		£	£
	Domestic current year tax		
	U.K. corporation tax	100,233	120,799
	Adjustment for prior years	4,484	-
	Current tax charge	<u>104,717</u>	<u>120,799</u>
	Deferred tax		
	Deferred tax charge/credit current year	649	745
		<u>105,366</u>	<u>121,544</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>260,615</u>	<u>340,726</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>78,185</u>	<u>102,218</u>
	Effects of:		
	Non deductible expenses	10,969	9,018
	Depreciation add back	13,448	13,661
	Capital allowances	(1,338)	(1,107)
	Adjustments to previous periods	4,484	-
	Other tax adjustments	(1,031)	(2,991)
		<u>26,532</u>	<u>18,581</u>
	Current tax charge	<u>104,717</u>	<u>120,799</u>
5	Dividends	2005	2004
		£	£
	Ordinary interim paid	<u>100,000</u>	<u>-</u>

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2004 & at 31 January 2005	425,340
Amortisation	
At 1 February 2004	226,959
Charge for the year	42,528
At 31 January 2005	269,487
Net book value	
At 31 January 2005	155,853
At 31 January 2004	198,381

7 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 February 2004	9,279	29,949	39,228
Additions	-	5,175	5,175
At 31 January 2005	9,279	35,124	44,403
Depreciation			
At 1 February 2004	7,078	18,326	25,404
Charge for the year	550	1,751	2,301
At 31 January 2005	7,628	20,077	27,705
Net book value			
At 31 January 2005	1,651	15,047	16,698
At 31 January 2004	2,201	11,623	13,824

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

8	Stocks and work in progress	2005 £	2004 £
	Work in progress	85,543	75,667
	Finished goods and goods for resale	56,069	37,963
		<u>141,612</u>	<u>113,630</u>

In the opinion of the directors, any difference between book value and replacement cost of stocks would be immaterial.

9	Debtors	2005 £	2004 £
	Trade debtors	830,558	814,008
	Amounts owed by parent and fellow subsidiary undertakings	488,941	429,940
	Other debtors	525	1,120
	Prepayments and accrued income	-	2,296
		<u>1,320,024</u>	<u>1,247,364</u>

10	Creditors: amounts falling due within one year	2005 £	2004 £
	Trade creditors	572,606	450,925
	Amounts owed to parent and fellow subsidiary undertakings	-	18,068
	Corporation tax	100,233	120,799
	Other taxes and social security costs	326,634	309,682
	Accruals and deferred income	52,291	147,200
		<u>1,051,764</u>	<u>1,046,674</u>

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 February 2004	1,275
Profit and loss account	649
	<u>1,924</u>
Balance at 31 January 2005	<u>1,924</u>

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	<u>1,924</u>	<u>1,275</u>

12 Pension costs

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £104,573 (2004-£14,573). No contributions (2004- nil) were payable to the funds at the year end.

13 Share capital

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2004	525,150
Retained profit for the year	55,249
	<u>580,399</u>
Balance at 31 January 2005	<u>580,399</u>

JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

15 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the financial year	155,249	219,182
Dividends	(100,000)	-
Net addition to shareholders' funds	55,249	219,182
Opening shareholders' funds	525,250	306,068
Closing shareholders' funds	580,499	525,250
16 Directors' emoluments	2005	2004
	£	£
Emoluments for qualifying services	278,650	399,990
Company pension contributions to money purchase schemes	104,573	14,573
	383,223	414,563

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2004- 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	95,000	134,302
Company pension contributions to money purchase schemes	35,000	5,000

17 Transactions with directors

The company continues to occupy premises, rent free, which are partly owned by the directors. This nil rent is materially different from that payable on a commercial basis.

During the year, the company continued with a civil engineering project for Cardinalis Developments Limited, a company owned by the directors and their parents. This is included in work in progress at cost of £84,221 (2004 - £75,667). There was also a creditor balance as at 31 January 2005 due to Cardinalis Developments Limited of £2,108 (2004 - nil) and a debtor balance as at 31 January 2005 due from Cardinalis Developments Limited of £911 (2004 - nil) in respect of reimbursed costs.