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Registered number: 02763306

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2013**

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**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**COMPANY INFORMATION**

<b>DIRECTORS</b>	James Henry Patrick Henry John G Henry
<b>COMPANY SECRETARY</b>	Patrick Henry
<b>REGISTERED NUMBER</b>	02763306
<b>REGISTERED OFFICE</b>	The Quorum Barnwell Road Cambridge CB5 8RE
<b>BUSINESS ADDRESS</b>	The Sidings Station Road Longstanton Cambridge CB4 5DS
<b>INDEPENDENT AUDITORS</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors The Quorum Barnwell Road Cambridge CB5 8RE
<b>BANKERS</b>	Lloyds TSB Bank Plc Black Horse House Castle Park Cambridge CB3 0AR

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

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## **JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2013**

The directors present their report and the financial statements for the year ended 31 January 2013

#### **PRINCIPAL ACTIVITIES**

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

#### **BUSINESS REVIEW**

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and net assets.

Turnover has increased by 11.09% from £32.38m in 2011/12 to £35.97m in 2012/13 and overall gross margin has reduced from 11.12% in 2011/12 to 10.32% in 2012/13. Net assets have increased from £1.58m in 2011/12 to £1.68 million in 2012/13.

Overall, the results for the year and the financial position at the year-end were considered satisfactory by the directors.

The environment in which we operate continues to be challenging. The civil engineering market is highly competitive and we have witnessed significant price reductions from our key clients. Therefore operating margins continue to be under pressure. In addition we also face increasing competition and are of course subject to reduced spending patterns and other general economic factors.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

#### **DIRECTORS**

The directors who served during the year were

James Henry  
Patrick Henry  
John G Henry

#### **RESULTS**

The profit for the year, after taxation, amounted to £95,529 (2012 - £162,356)

# **JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2013**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

### **CHARITABLE DONATIONS**

During the year the company made £350 (2012 - £2,575) in charitable donations.

### **PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### **AUDITORS**

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf



Patrick Henry  
Director

Date 25/07/2013

## **JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

We have audited the financial statements of John Henry & Sons (Civil Engineers) Limited for the year ended 31 January 2013, set out on pages 5 to 14. 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 AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Ethical Standards for Auditors.

#### **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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON 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 January 2013 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOHN HENRY & SONS (CIVIL ENGINEERS) 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

Paul Cullen FCCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

The Quorum  
Barnwell Road  
Cambridge  
CB5 8RE

26 July 2013

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1,2	35,972,657	32,383,834
Cost of sales		<u>(32,260,338)</u>	<u>(28,763,150)</u>
<b>GROSS PROFIT</b>		3,712,319	3,620,684
Administrative expenses		(3,589,784)	(3,377,299)
Other operating income	3	<u>30,000</u>	<u>-</u>
<b>OPERATING PROFIT</b>	4	152,535	243,385
Interest receivable and similar income		-	226
Interest payable and similar charges	7	<u>(2,196)</u>	<u>(68)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		150,339	243,543
Tax on profit on ordinary activities	8	<u>(54,810)</u>	<u>(81,187)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>95,529</u></u>	<u><u>162,356</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account

The notes on pages 7 to 14 form part of these financial statements

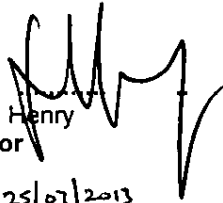


**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**  
**REGISTERED NUMBER: 02763306**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	10		101,377		111,325
<b>CURRENT ASSETS</b>					
Stocks	11	369,982		242,621	
Debtors	12	7,795,399		7,043,316	
Cash at bank		546,472		552,566	
		<u>8,711,853</u>		<u>7,838,503</u>	
<b>CREDITORS</b> amounts falling due within one year	13	(7,124,592)		(6,365,134)	
<b>NET CURRENT ASSETS</b>			<u>1,587,261</u>		<u>1,473,369</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,688,638</u>		<u>1,584,694</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	14		(8,415)		-
<b>NET ASSETS</b>			<u><u>1,680,223</u></u>		<u><u>1,584,694</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		100		100
Profit and loss account	17		<u>1,680,123</u>		<u>1,584,594</u>
<b>SHAREHOLDERS' FUNDS</b>	18		<u><u>1,680,223</u></u>		<u><u>1,584,694</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

...   
James Henry  
Director  
Date 25/07/2013

The notes on pages 7 to 14 form part of these financial statements

## **JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2013**

#### **1. ACCOUNTING POLICIES**

##### **1 1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

##### **1 2 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1

##### **1 3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

##### **1 4 Goodwill**

Acquired goodwill has been 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short leasehold improvements	-	10% per annum on a straight line basis
Plant and machinery	-	25% per annum on the reducing balance basis
Fixtures and fittings	-	15% per annum on the reducing balance basis

##### **1.6 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

##### **1 7 Stocks**

Stocks are valued at the lower of cost and net realisable value

##### **1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**2. TURNOVER**

All turnover arose within the United Kingdom

**3. OTHER OPERATING INCOME**

	2013 £	2012 £
Rent received	30,000	-
	<u>30,000</u>	<u>-</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible assets - owned by the company	27,933	22,584
Auditors' remuneration	15,660	13,360
Operating lease rentals - other operating leases	193,020	169,167
	<u>193,020</u>	<u>169,167</u>

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	3,600,970	3,251,564
Social security costs	330,367	339,347
	<u>3,931,337</u>	<u>3,590,911</u>

The average monthly number of employees, including the directors, during the year was as follows

	2013 No	2012 No
Directors	3	3
Administration	10	10
Production	89	77
	<u>102</u>	<u>90</u>

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**6. DIRECTORS' REMUNERATION**

	2013 £	2012 £
Emoluments	368,652	395,014

During the year retirement benefits were accruing to 3 directors (2012 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £123,556 (2012 - £133,629)

**7. INTEREST PAYABLE**

	2013 £	2012 £
On bank loans and overdrafts	14	68
Other interest payable	2,182	-
	<u>2,196</u>	<u>68</u>

**8. TAXATION**

	2013 £	2012 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	42,136	71,857
<b>Deferred tax</b> (see note 14)		
Deferred tax charge current year	12,674	9,330
<b>Tax on profit on ordinary activities</b>	<u>54,810</u>	<u>81,187</u>

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**8. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	150,339	243,543
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	36,081	63,321
<b>Effects of</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,695	6,657
Capital allowances for year in excess of depreciation	2,613	997
Other differences leading to an increase (decrease) in the tax charge	194	882
Marginal relief	(447)	-
<b>Current tax charge for the year (see note above)</b>	42,136	71,857

**9. INTANGIBLE ASSETS**

	Goodwill £
<b>Cost</b>	
At 1 February 2012 and 31 January 2013	425,340
<b>Amortisation</b>	
At 1 February 2012 and 31 January 2013	425,340
<b>Net book value</b>	
At 31 January 2011 and 31 January 2012	-

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**10. TANGIBLE ASSETS**

	Land and buildings £	Plant & machinery £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 February 2012	71,618	6,041	131,459	209,118
Additions	-	-	17,985	17,985
At 31 January 2013	<u>71,618</u>	<u>6,041</u>	<u>149,444</u>	<u>227,103</u>
<b>Depreciation</b>				
At 1 February 2012	44,001	6,041	47,751	97,793
Charge for the year	7,162	-	20,771	27,933
At 31 January 2013	<u>51,163</u>	<u>6,041</u>	<u>68,522</u>	<u>125,726</u>
<b>Net book value</b>				
At 31 January 2013	<u>20,455</u>	<u>-</u>	<u>80,922</u>	<u>101,377</u>
At 31 January 2012	<u>27,617</u>	<u>-</u>	<u>83,708</u>	<u>111,325</u>

**11. STOCKS**

	2013 £	2012 £
Finished goods and goods for resale	<u>369,982</u>	<u>242,621</u>

In the opinion of the directors, any difference between book value and replacement cost is not material

**12. DEBTORS**

	2013 £	2012 £
Trade debtors	4,501,540	2,681,154
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,996,393	4,256,254
Other debtors	277,138	93,601
Prepayments and accrued income	20,328	8,048
Deferred tax asset (see note 14)	-	4,259
	<u>7,795,399</u>	<u>7,043,316</u>

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**13. CREDITORS:  
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	6,286,499	5,354,637
Corporation tax	6,136	-
Social security and other taxes	265,902	447,478
Other creditors	51,809	40,407
Accruals and deferred income	514,246	522,612
	<u>7,124,592</u>	<u>6,365,134</u>

**14. DEFERRED TAXATION**

	2013 £	2012 £
At beginning of year	4,259	13,589
Charged for year	(12,674)	(9,330)
	<u>(8,415)</u>	<u>4,259</u>

The deferred taxation balance is made up as follows

	2013 £	2012 £
Accelerated capital allowances	(6,105)	(9,445)
Other timing differences	(2,310)	13,704
	<u>(8,415)</u>	<u>4,259</u>

**15. OPERATING LEASE COMMITMENTS**

At 31 January 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	2012 £
<b>Expiry date</b>		
After more than 5 years	<u>160,000</u>	<u>160,000</u>

**16. SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**16. SHARE CAPITAL (continued)**

**17. RESERVES**

	Profit and loss account £
At 1 February 2012	1,584,594
Profit for the year	95,529
	<u>1,680,123</u>
At 31 January 2013	<u>1,680,123</u>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Opening shareholders' funds	1,584,694	1,422,338
Profit for the year	95,529	162,356
	<u>1,680,223</u>	<u>1,584,694</u>
Closing shareholders' funds	<u>1,680,223</u>	<u>1,584,694</u>

**19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate and ultimate holding company is John Henry & Sons (Holdings) Limited, a company incorporated in England and Wales

Copies of its group financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ



**JOHN HENRY & SONS (CIVIL ENGINEERS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2013**

**20. RELATED PARTY TRANSACTIONS**

During the year the company made sales of £1,992,277 (2012 - £1,628,987), to Cardinalis Developments Limited, a company owned by the directors and their parents

During the year the company made purchases of £123,367 (2012 - £125,352), from Cardinalis Developments Limited, a company owned by the directors and their parents

The amount due from Cardinalis Developments Limited at the year end was £1,041,196 (2012 - £609,294)

During the year the company made property rental payments of £160,000 (2012 - £143,750), to a SIPP, that has been set up by the directors

The amount due to the SIPP at the year end was £ NIL (2012 - £63,750)

During the year the company made sales of £NIL (2012 - £9,352), to John G Henry, a director of the company

During the year the company made sales of £653,620 (2012 - £549,719), to Business and Communications Limited, a fellow subsidiary company

During the year the company made purchases of £7,827,290 (2012 - £8,124,422), from Business and Communications Limited, a fellow subsidiary company

The amount due to Business and Communications Limited at the year end was £4,112,431 (2012 - £3,395,325)

During the year the company made sales of £743,288 (2012 - £927,389), to Avanti Traffic Management Limited, a company also controlled by the directors

During the year the company made purchases of £732,172 (2012 - £584,854), from Avanti Traffic Management Limited, a company also controlled by the directors

The amount due to Avanti Traffic Management Limited at the year end was £110,191 (2012 due from - £255,753)

During the year the company made sales of £632,601 (2012 - £529,561), to John Henry Biscomm Limited, a fellow subsidiary

During the year the company made purchases of £250 (2012 - £3,532), from John Henry Biscomm Limited, a fellow subsidiary

The amount due from John Henry Biscomm Limited at the year end was £267,122 (2012 - £234,635)

During the year the company loaned amounts totalling £10,000 (2012 - £NIL) to Fibrowave Networks Limited, a company in which Patrick Henry is a director

The amount due from Fibrowave Networks Limited at the year end was £10,000 (2012 - £NIL)

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies