

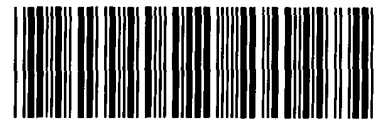
Registered number: 00842829

## **J.M. Piling Company Limited**

**Directors' report and financial statements**

**For the year ended 31 December 2018**

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## **J.M. Piling Company Limited**

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## J.M. Piling Company Limited

### Directors and advisers

#### Directors

David Burke  
Christopher Green  
John Murphy  
Peter Anderson  
Alastair Smyth  
Andrew Waghorn

#### Company secretary

J P Murphy

#### Registered number

00842829

#### Registered office

Hiview House  
Highgate Road  
London  
NW5 1TN

#### Independent auditors

Ernst & Young  
1 More London Place  
London  
SE1 2AF

## **J.M. Piling Company Limited**

### **Directors' report For the year ended 31 December 2018**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

#### **Principal activity**

The principal activity of the company during the year continued to be foundation piling. The company works for third party clients as well as undertaking sub-contract work for J. Murphy & Sons Limited, a related party. Its operations are solely within the UK.

#### **Review of the business**

The key financial highlights are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Turnover	<b>11,516,856</b>	8,919,446
Profit before taxation	<b>15,355</b>	1,548,893
Net assets	<b>176,827</b>	164,507

#### **Results and dividends**

The profit for the financial year after taxation amounted to £12,320 (2017: £1,220,888). The decrease in profitability is as a result of incurring unforeseen operating costs on certain contracts in 2018. Such costs are not expected to reoccur. The directors do not recommend the payment of a dividend (2017: £Nil).

#### **Future developments**

The Company is expected to continue to bid for and be awarded foundation piling work throughout the United Kingdom, directly for third party clients and as a sub-contractor for J. Murphy & Sons Limited.

#### **Financial risk management**

The company manages its financial risks, primarily cashflow, through J. Murphy & Sons Group banking facilities. The company participates in group banking and credit arrangements through which financial risks are managed. The company therefore has no material interest rate, currency or liquidity risk.

#### **Principal risks and uncertainties**

Principal business risks are managed through the company's operating structure, and operating and commercial reviews held with senior management. This process is under ongoing review and improvement, under the oversight of the J. Murphy Group audit committee.

The company's directors recognise the competitive nature of tendering in the sector, but believe the Company has robust methodologies in place to understand and manage the risks which may influence project outcomes. As with any business, the company is exposed to a certain level of credit risk from our clients, but this is mitigated through regular credit checks and updates before working with clients.

The UK's decision to exit from the EU ("Brexit") has created significant macro-economic uncertainty. However the impact of Brexit on the business is not of significant concern to the directors. The infrastructure works being provided for our clients are essential for the functioning of our country, economy and society and in the opinion of the directors are unlikely to be affected by politics or spending resulting from Brexit. However, the board still want to see an outcome that does not adversely affect access to the necessary skills, resources or suppliers that the business relies on.

**J.M. Piling Company Limited**

**Directors' report (continued)  
For the year ended 31 December 2018**

**Directors**

The directors who held office during the year and up to the date of approval of the financial statements were:

David Burke	
Christopher Green	
John Murphy	
Peter Anderson	(appointed 29 May 2018)
Alastair Smyth	(appointed 25 March 2018)
Andrew Waghorn	(appointed 25 March 2018)
Bernard Murphy	(resigned 28 May 2018)
Russell Kellett	(resigned 1 January 2019)

**Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

**Directors' report (continued)**  
**For the year ended 31 December 2018**

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Directors' report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, 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 him 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.

**Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the immediate parent undertaking, J. Murphy & Sons Limited. The directors have received confirmation in writing that J. Murphy & Sons Limited intends to provide financial support to the company to meet its liabilities as they fall due for at least one year after the financial statements are approved.

**Statement of disclosure of information to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware and having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself / herself aware of any relevant audit information and to establish that the auditor is aware of that information.

**Small companies' exemption**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. In addition, the Company has taken advantage of the exemption available under S414B of the Companies Act 2006 in not preparing a strategic report.

**Independent auditors**

At the next General Meeting, it will be proposed that the auditors, Ernst and Young LLP, be re-appointed in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 November 2019 and signed on its behalf.



**D A Burke**  
Director

## **Independent auditors' report to the members of JM Piling Company Limited**

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### **Opinion**

We have audited the financial statements of JM Piling Company Limited for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent auditors' report to the members of JM Piling Company Limited (continued)

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### Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

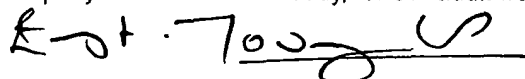
### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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



Adrian Mulea (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 8 NOVEMBER 2019



**J.M. Piling Company Limited**

**Profit and loss account  
For the year ended 31 December 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	5	11,516,856	8,919,446
Cost of sales		(11,426,904)	(7,359,169)
<b>Gross profit</b>		<b>89,952</b>	<b>1,560,277</b>
Administrative costs		(74,597)	(11,796)
<b>Operating profit</b>		<b>15,355</b>	<b>1,548,481</b>
Interest receivable and similar income	11	-	412
<b>Profit before taxation</b>		<b>15,355</b>	<b>1,548,893</b>
Tax on profit	12	(3,035)	(328,005)
<b>Profit for the financial year</b>		<b>12,320</b>	<b>1,220,888</b>

All amounts relate to continuing operations.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 10 to 18 form part of these financial statements.

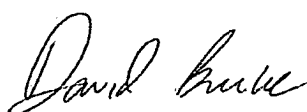
**J.M. Piling Company Limited**

**Registered number: 00842829**

**Balance sheet  
As at 31 December 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Current assets</b>					
Debtors: amounts falling due within one year	13	1,149,614		2,533,908	
Creditors: amounts falling due within one year	14	<u>(972,787)</u>		<u>(2,369,401)</u>	
<b>Net current assets</b>			<b>176,827</b>		<b>164,507</b>
			<hr/>		<hr/>
<b>Net assets</b>			<b>176,827</b>		<b>164,507</b>
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	16		100		100
Retained earnings			<b>176,727</b>		<b>164,407</b>
			<hr/>		<hr/>
<b>Total shareholders' funds</b>			<b>176,827</b>		<b>164,507</b>
			<hr/>		<hr/>

The financial statements were approved and authorised for issue by the board on 8 November 2019 and were signed on its behalf by:



**D A Burke**  
Director

The notes on pages 10 to 18 form part of these financial statements.

**Statement of changes in equity  
For the year ended 31 December 2018**

	Called up share capital	Retained earnings / (accumulated losses)	Total shareholders' funds
	£	£	£
At 1 January 2018	100	164,407	164,507
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	12,320	12,320
<b>At 31 December 2018</b>	<b>100</b>	<b>176,727</b>	<b>176,827</b>

**Statement of changes in equity  
For the year ended 31 December 2017**

	Called up share capital	Retained earnings / (accumulated losses)	Total shareholders' (deficit) / funds
	£	£	£
At 1 January 2017	100	(1,056,481)	(1,056,381)
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	1,220,888	1,220,888
<b>At 31 December 2017</b>	<b>100</b>	<b>164,407</b>	<b>164,507</b>

The notes on pages 10 to 18 form part of these financial statements.

## **J.M. Piling Company Limited**

### **Notes to the financial statements For the year ended 31 December 2018**

#### **1. General information**

J.M. Piling Company Limited ("the Company") undertakes foundation piling.

The Company is privately owned and limited by shares. The Company is incorporated and domiciled in England and Wales and its registered office is Hiview House, Highgate Road, London, NW5 1TN.

#### **2. Statement of compliance**

The financial statements of J.M. Piling Company Limited have been prepared in compliance with applicable accounting Standards, including "Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below.

##### **3.1 Basis of preparation of financial statements**

The financial statements are prepared in pounds sterling which is the functional currency of the Company. The financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 4).

##### **3.2 Going concern**

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the immediate parent undertaking J. Murphy & Sons Limited. The directors have received confirmation in writing that J. Murphy & Sons Limited intends to support the company for at least one year after these financial statements are approved.

##### **3.3 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain financial statements disclosure exemptions subject to certain conditions which have been complied with by the Company.

The company has taken advantage of the following exemptions:

- Under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows,
- From disclosing the company's key management personnel compensation as required by FRS 102 para 33.7;
- From disclosing certain financial instruments disclosures, required under FRS 102 para 11.39 to 11.48A and para 12.26 to 12.29; and
- From disclosing related party transactions that are wholly owned within the same group under paragraph 33.1A of FRS 102.

**Notes to the financial statements  
For the year ended 31 December 2018**

**3. Accounting policies (continued)**

**3.4 Financial instruments**

**(a) Trade debtors and other receivables**

Trade debtors and other receivables with no stated interest rate are stated initially at the transaction price and subsequently measured at their amortised cost less impairment. A provision for 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 with the trade debtor. Trade debtors are stated net of provision for impairment. Any losses arising from impairment are recognised in the Consolidated profit and loss account.

**(b) Trade creditors and other payables**

Trade creditors and other payables with no stated interest rate are stated initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method. Any changes in fair value are recognised in the profit and loss account.

**3.5 Amounts recoverable on contracts / Payments on account**

Amounts recoverable on contracts are valued at cost plus attributable profit, less anticipated future losses to completion. Cash received on account has been deducted to show amounts recoverable on contracts which are included in debtors. Where cash received exceeds the revenues receivable based on work performed to date, the balance is included as payments received on account within creditors. The amount by which accruals or provisions for foreseeable losses exceed any amounts recoverable on contracts, after transfer to cost of sales, is included within creditors.

**3.6 Revenue recognition**

Revenue comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from construction and similar contracts is recognised on an individual contract basis based on the level of work performed, as estimated by the percentage of costs incurred against total forecast cost, taking into account expected contract profitability. This method relies on estimates of total expected contract turnover and costs, as well as reliable measurement of the progress made towards completion. Claims and variations are included in contract turnover only when negotiations have reached an advanced stage such that it is probable that the claim will be recoverable.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. Where the outcome of a contract cannot be estimated reliably, costs are expensed in full when incurred and revenue is only recognised to the extent that it is probable that it will be recoverable. Profit is only recognised on a construction contract when the final outcome can be reliably estimated.

Recognised revenue and profits are subject to revision during the contract if the assumptions regarding the overall contract outcome are changed. The cumulative impact of a revision in estimates is recorded in the period in which such revisions become likely and can be estimated. Where the actual and anticipated estimated costs to completion exceed the estimated turnover for a contract, the total amount of the expected loss is recognised immediately.

**Notes to the financial statements  
For the year ended 31 December 2018**

**3. Accounting policies (continued)**

**3.7 Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case tax is also recognised in Other Comprehensive Income or directly in equity respectively.

**(a) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

**(b) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and Total Comprehensive Income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are only offset if the company has a legally enforceable right to set off current tax assets against current tax liability and the deferred tax asset and deferred tax liability relate to income taxes covered by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each period in which significant amount of deferred tax liabilities or assets are expected to be settled or recovered.

Current or deferred taxation assets and liabilities are not discounted.

**3.8 Share capital**

Ordinary shares are classified as equity and recorded at the value of consideration received. 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.

**Notes to the financial statements  
For the year ended 31 December 2018**

**4. Critical accounting judgements and estimation uncertainty**

In the preparation of the financial statements management makes certain judgements and estimates that impact the financial statements. While these judgements are continually reviewed the facts and circumstances underlying these judgements may change resulting in a change to the estimates that could impact the results of the Company.

The Company also makes estimates and judgements concerning the future. The resulting accounting estimates and judgements will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on amounts recognised in the financial statements are as follows:

**a) Revenue recognition and contract losses**

Revenue is recognised based on an estimate of the contract progress to date, on a contract-by-contract basis in accordance with the terms of the contract. This is usually measured by reference to the ratio of current costs incurred to an estimate of the total costs to complete the contract. Contract profit on the revenue recognised and any anticipated contract losses are recorded in the period using estimations for total contract revenue (including variations) and the aforementioned estimate of total costs to complete, which take into account likely contract risks. In the early stages of a contract profit is recognised cautiously reflecting the early maturity of the contract's risk profile. The estimates for revenue and profit recognition involve considerable degrees of management judgement (for example, timeframe to completion, contract variations, technical complexity of risks, subcontractor claims), which are regularly reviewed in light of new information and so will result in changes to the level of revenue and profit recognised in the next financial year.

**b) Carrying value of trade debtors, amounts receivable on contracts and other receivables**

The Company makes an estimate of the recoverable value of trade debtors, amounts recoverable on contracts and other receivables (see note 13). When assessing impairment of trade debtors, amounts recoverable on contracts and other receivables, management considers factors including the current credit rating of the customers, the ageing profile and historical experience. Allowances for doubtful debt provisions against billed debtors, amounts recoverable on contracts and other receivables are made on a specific basis, based on estimates of irrecoverability determined by market knowledge and past experience.

**c) Deferred tax**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. There is a degree of inherent uncertainty in making such estimates.

**5. Turnover**

Turnover represents the income earned relating wholly to the Company's principal activity, that of the provision of foundation piling and services, exclusive of value added tax. All turnover arose within the United Kingdom.

## J.M. Piling Company Limited

### Notes to the financial statements For the year ended 31 December 2018

#### 6. Operating (loss)/profit

The operating (loss) / profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible assets	-	145,281
Trade debtors impairment release	-	(20,335)
Staff-related costs (note 9)	2,577,364	2,279,671
	<hr/>	<hr/>

#### 7. Tangible fixed assets

On 12 November 2017, the Company disposed of its tangible assets comprised of plant, machinery and office equipment with a net book value of £205,739 with no gain or loss on disposal, resulting in tangible assets balances of Nil as of 31 December 2018 and 2017, respectively. There were no fixed asset acquisitions during the year.

#### 8. Audit fees

Auditors' remuneration of £4,000 (2017 - £2,900) was borne by another group company, J. Murphy & Sons Limited. 2017 fees represent those paid to the previous auditors. There were no non-audit fees paid to the auditors (2017: £nil).

#### 9. Staff-related costs

The Company does not employ any staff. There is a charge from J. Murphy & Sons Limited, a related party, in relation to time spent by employees of J. Murphy & Sons Limited on production for J.M. Piling Company Limited, totaling £2,577,364 (2017 - £2,279,671).

#### 10. Directors' remuneration

There was no remuneration paid to the directors by the Company during the year (2017 - £Nil). There were also no retirement benefits accruing to the directors (2017 - £Nil).

#### 11. Interest receivable and similar income

	2018	2017
	£	£
Other interest	-	412
	<hr/>	<hr/>



**Notes to the financial statements**  
**For the year ended 31 December 2018**

**12. Tax on profit**

	2018 £	2017 £
<b>Current tax</b>		
Current tax on profit for the year	-	321,367
Adjustments in respect of previous periods	(61)	(10,239)
	<hr/>	<hr/>
<b>Total current tax (credit) / charge</b>	<b>(61)</b>	<b>311,128</b>
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,460	(20,867)
Effect of changes in tax rates	(364)	2,436
Adjustments in respect of previous periods	-	35,308
	<hr/>	<hr/>
<b>Total deferred tax charge</b>	<b>3,096</b>	<b>16,877</b>
	<hr/>	<hr/>
<b>Tax on profit</b>	<b>3,035</b>	<b>328,005</b>
	<hr/>	<hr/>

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit before taxation	<hr/> 15,355	<hr/> 1,548,893
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	2,917	298,162
<b>Effects of:</b>		
Expenses not deductible for tax purposes	543	2,338
Adjustments in respect of previous periods	(61)	25,069
Tax rate changes	(364)	2,436
	<hr/>	<hr/>
<b>Total tax charge for the year</b>	<b>3,035</b>	<b>328,005</b>
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**Factors affecting future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of the Finance No 2. Act 2015. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. As at the balance sheet date this future tax reduction has been enacted and hence in accordance with accounting standards the effect has been reflected in the Company's financial statements as at 31 December 2018.

Notes to the financial statements  
For the year ended 31 December 2018

13. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	184,843	643,514
Amounts recoverable on contracts	578,538	870,340
Amounts owed by group undertakings	369,234	775,786
Other tax and social security	-	49,978
Deferred tax asset (note 15)	16,999	20,095
Prepayments and accrued income	-	174,195
	<u>1,149,614</u>	<u>2,533,908</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: amounts falling due within one year

	2018 £	2017 £
Payments received on account	268,908	24,179
Corporation tax	-	580,966
Accruals	703,879	1,764,256
	<u>972,787</u>	<u>2,369,401</u>

**J.M. Piling Company Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

**15. Deferred taxation**

	2018 £	2017 £
At 1 January 2018	20,095	36,972
Charged to profit and loss account	(3,096)	(16,877)
<b>At 31 December 2018</b>	<b>16,999</b>	<b>20,095</b>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	16,999	20,095

The directors consider the deferred tax assets to be recoverable within three years on the basis of future profit forecasts.

**16. Called up share capital**

	2018 £	2017 £
<b>Authorised, called up and fully paid</b>		
100 (2017 - 100) Ordinary shares of £1 each	100	100

**Notes to the financial statements**  
**For the year ended 31 December 2018**

**17. Contingent liabilities**

There are contingent liabilities in respect of guarantees and arrangements related to construction and other agreements entered into in the ordinary course of business for which no provision has been made in the financial statements because no material losses are anticipated.

**18. Related party transactions**

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 December 2018 it was a wholly owned subsidiary.

**19. Ultimate controlling party**

The immediate parent undertaking is J. Murphy & Sons Limited. J. Murphy & Sons Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of J. Murphy & Sons Limited can be obtained from Hiview House, Highgate Road, London NW5 1TN.

Drilton Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Drilton Limited are available from Hiview House, Highgate Road, London NW5 1TN.

In the opinion of the directors the ultimate parent undertaking and ultimate controlling party is Maryland Limited, a company incorporated in the Isle of Man. Maryland Limited is controlled by a Murphy family trust.