

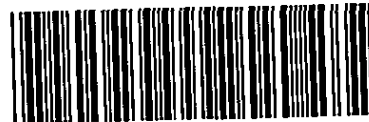
Dyer and Butler Limited

**Directors' report and financial
statements**

Registered number 01450372

31 October 2012

TUESDAY



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14/05/2013

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COMPANIES HOUSE

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Officers and professional advisers

Board of directors	RG Dyer
	D Butler
	PR Hobbs
	JH Davies
	R Denyer
	JN Edwards
	SA Jayne
	A Ray
	J Whitehouse

Business address	Mead House
	Station Road
	Nursling
	Southampton
	Hampshire
	SO16 0AH

Registered address	Mead House
	Station Road
	Nursling
	Southampton
	Hampshire
	SO16 0AH

Officers and professional advisors *(continued)*

Auditor	KPMG Dukes Keep Marsh Lane Southampton SO14 3EX
Bankers	National Westminster Bank plc 12 High Street Southampton Hampshire SO14 2BF Barclays Bank PLC PO Box 2, Barclays House Ocean Way, Ocean Village Southampton Hampshire SO14 2SB
Solicitors	Page, Gulliford & Gregory 9 Cumberland Place Southampton Hampshire SO15 2WL

Directors' report

The directors present their directors' report and financial statements for the year ended 31 October 2012

Principal activities

The principal activity of the company continued to be that of construction and civil engineering

The company revenue for the year was £61,804,353 (2011 £48,521,016) The profit after tax for the financial year was £887,310 (2011 £426,564)

Business review

The Company has built on the consolidation undertaken in 2011 and continues to develop its employees and improve the procedures and processes for operating in safety critical environments There has been considerable success in the number of projects awarded and delivered, and we have continued to secure long term frameworks, which will give the company stability in terms of workforce and secured workload to build on for the future

The turnover for the Company improved from £48.5 million to £62.0 million, justifying the decision in prior years to retain staff against a falling turnover in order to maximise the opportunities for the Company to secure work load for 2013 and 2014, and for winning frameworks with key clients into 2016

The Company has taken a prudent view of outstanding accounts and in this difficult economic environment the importance of maintaining client relations has been taken into account when finalising difficult contractual issues

The safety critical environments of rail and airport work represented 70% of the company's turnover in the year Other general areas of civil engineering represented the remainder, and consisted of road, bridge works, waste management sites, environmental and water authorities projects, spread across the operating areas covered by the Southern, South Wales and Exeter offices

Rail activities increased steadily to £26.23 million during 2012 The structures maintenance frameworks in the Wessex and Western regions have given a stable work load and allowed the company to develop its staff, directly employed labour force and supply chain

The appointment of additional staff in the Western and Southern rail operating areas has given the Company improved capability to deliver rail projects across these areas, which contributed to 75% of the total rail related turnover

The airport related works centred on Gatwick and Heathrow represented 27% of the company's turnover, with the frameworks contracts for airside maintenance continuing as in previous years The project work in the first 3 quarters was depressed, caused by delays in awarding projects, which resulted in an acceleration of turnover in the last quarter which will continue into 2013

The general civil engineering activities in the Southern region and South Wales have remained competitive with minimal growth, allowing the opportunity to redirect the resources on to rail projects The South West has continued to improve and turnover has increased to £5 million

Outlook

Although the economic climate continues to be tough and the civil engineering activities in the construction industry were hit hardest, the Company will continue to build relationships and improve our capability in rail and airport related activities This strategy continues to be successful and has resulted in the growth achieved last year being sustained into 2013

The secured work load for 2013 is £65 million with a turnover in excess of £70 million predicted The forward order book stands at £110 million This is a result of a high percentage of repeat business and new long term framework agreements

Directors' report *(continued)*

The turnover in the first quarter of 2013 was significantly higher than the same period the previous year. The remaining part of the year is predicted to mirror 2012, resulting in an expected 15% growth in 2013.

Rail activity continues to increase and the Company's capability to deliver over an increased geographical area gives confidence that 2013 will continue to improve. The secured projects and the Wessex and Western structural maintenance frameworks together with the increased level of design and construct work on projects should result in turnover in excess of £30 million 15% up on 2012.

Airport related operations have increased in the first quarter of 2013 and turnover is forecast to be £27 million, an increase of 60% on 2011.

The award of the snow clearance operation at Heathrow airport until 2016, and the extension of the airfield maintenance framework until 2014, indicates that the client has confidence in our capability.

The recent award of the Airfield maintenance contract at Gatwick until 2017 combined with the minor works frameworks covering building services and electrical and mechanical services until 2016 are reasons to be confident of the Company's continued success at Gatwick.

These Frameworks are supported by the recently formed Dyer & Butler Electrical Ltd. Where expectations have been exceeded in the first year of operation 2013 should see a doubling of turnover to £3 million including some overseas operations.

General civil engineering activities in the South West continue to improve and 2013 should see an improvement on 2012. We are optimistic that improvements in Wales and in the South will be achieved. The Company has been appointed on to the South East Wales Highways framework, and the SE7 framework which will give opportunities for highway works across south and south east England until 2016.

The Company continues to strive for improvement in our health and safety performance and 2013 will see an increase in safety and quality staff with a review of our safety critical procedures and policies.

Proposed dividend

The profit for the year, after taxation, amounted to £887,310. The directors do not propose the payment of a dividend (2011 £Nil).

Directors

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

RG Dyer
D Butler
PR Hobbs
JH Davies
R Denyer
JN Edwards
SA Jayne
A Ray
J Whitehouse

Directors' report *(continued)*

Donations

During the year the company made the following contributions

	2012 £	2011 £
Charitable donations	1,406	250

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



PR Hobbs

Director

Mead House
Station Road
Nursling
Southampton
Hampshire
SO16 0AH

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

Dukes Keep
Marsh Lane
Southampton
SO14 3EX
United Kingdom

Independent auditor's report to the members of Dyer and Butler Limited

We have audited the financial statements of Dyer and Butler Limited for the year ended 31 October 2012 set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 October 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report to the members of Dyer and Butler Limited (continued)

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

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

W. Smith

William Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP
Dukes Keep
Marsh Lane
Southampton
SO14 3EX

10th May 2013

Profit and Loss Account

for the year ended 31 October 2012

	<i>Note</i>	2012 £	2011 £
Turnover	2	61,804,353	48,521,016
Cost of sales		(54,733,571)	(42,631,681)
		<hr/>	<hr/>
Gross profit		7,070,782	5,889,335
Administrative expenses		(5,855,603)	(5,339,151)
		<hr/>	<hr/>
Operating profit	3	1,215,179	550,184
Interest payable and similar charges	6	(3,098)	(2,934)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,212,081	547,250
Tax on profit on ordinary activities	7	(324,771)	(120,686)
		<hr/>	<hr/>
Profit for the financial year	15	887,310	426,564
		<hr/>	<hr/>

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

Balance Sheet

at 31 October 2012

	Note	2012	2011
		£	£
Current assets			
Debtors	8	15,291,166	12,374,852
Cash at bank and in hand		1,246,631	326,211
		<hr/>	<hr/>
		16,537,797	12,701,063
Creditors: amounts falling due within one year	9	(14,107,391)	(11,157,967)
		<hr/>	<hr/>
Net assets		2,430,406	1,543,096
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account	15	2,420,406	1,533,096
		<hr/>	<hr/>
Shareholders' funds	16	2,430,406	1,543,096
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 8 May 13 and were signed on its behalf by



PR Hobbs

Director

Company registered number 01450372

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Going concern

The Company generated positive cash flow during the year resulting in an increase in the year end cash position of £920k

With the changes implemented by a key client in payment terms to their supply chain the Company expects to maintain a healthy cash position for the foreseeable future

The overdraft facility provided by National Westminster Bank plc remains in place. The directors are not aware of any reason why the overdraft facility might be withdrawn. After making appropriate enquiries and assessing the Company's financial position, the Directors have a reasonable expectation that the Company will continue in business for the foreseeable future and therefore have adopted the going concern basis of accounting in these accounts

Basis of preparation

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

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

A consolidated cash flow statement is available in the accounts of the parent company, Dyer & Butler Holdings Limited

Related party transactions

As the Company is a wholly owned subsidiary of Dyer & Butler Holdings Limited the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Dyer and Butler Holdings Limited, within which this Company is included, can be obtained from the address in note 18

Turnover

Turnover, which excludes value added tax, is in respect of the Company's principal activity and represents the value of materially complete work, certified for payment by customers, on short term contracts plus the value of work done on long term contracts, including the retention value

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable future losses and payments on accounts are shown in stocks as long-term balances

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty

Notes (continued)

1 Accounting policies (continued)

Stock

Stocks and work in progress are stated in the balance sheet at the lower of cost, being purchase price, and net realisable value. Cost includes direct materials, labour, contract labour and attributable overheads.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it virtually certain that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes (continued)

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2012 £	2011 £
<i>United Kingdom</i>	61,804,353	48,521,016
	<u> </u>	<u> </u>

3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Auditor's remuneration		
- As auditor	24,075	23,375
- Accountancy fees	-	5,725
- For other services	5,400	5,225
	<u> </u>	<u> </u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2012 £	2011 £
Audit	24,075	23,375
Accountancy	-	5,725
Taxation	5,400	5,225
	<u> </u>	<u> </u>
	29,475	34,325
	<u> </u>	<u> </u>

Notes (continued)

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2012 No	2011 No
Directors	9	9
Administration and supervision	144	131
Direct labour	220	185
	<hr/> 373	<hr/> 325
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	13,478,201	11,957,019
Social security costs	1,386,664	1,223,610
Other pension costs	39,738	34,767
	<hr/> 14,904,603	<hr/> 13,215,396
	<hr/> <hr/>	<hr/> <hr/>

5 Remuneration of directors

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Aggregate remuneration	361,169	342,902
Value of company pension contributions to money purchase schemes	4,296	3,792
	<hr/> 365,465	<hr/> 346,694
	<hr/> <hr/>	<hr/> <hr/>

There were 2 (2011 2) directors who accrued benefits under the pension schemes above

Remuneration of highest paid director

	2012 £	2011 £
Total remuneration (excluding pension contributions)	122,265	106,593
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

6 Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowing	3,098	2,934
	<u>3,098</u>	<u>2,934</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
UK corporation tax	324,771	120,686
	<u>324,771</u>	<u>120,686</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.83% (2011 20.42%)

	2012 £	2011 £
Profit on ordinary activities before tax	1,212,081	547,250
Profit on ordinary activities multiplied by rate of tax	300,960	111,753
<i>Effects of</i>		
Expenses not deductible for tax purposes	24,312	9,202
Capital allowances for year in excess of depreciation	(501)	(269)
Tax chargeable at lower rates	-	-
Total current tax charge (see note 8a)	<u>324,771</u>	<u>120,686</u>

Notes (continued)

8 Debtors

	2012 £	2011 £
Trade debtors	8,928,942	9,532,934
Amounts recoverable on long term contracts	4,727,874	2,362,212
Amounts owed by group undertakings	1,057,394	-
Corporation tax	-	65,929
Other debtors	159,113	123,526
Prepayments and accrued income	417,843	290,251
	<hr/>	<hr/>
	15,291,166	12,374,852
	<hr/>	<hr/>

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Amounts recoverable on Long Term Contracts	482,642	350,704
	<hr/>	<hr/>

Notes (continued)

9 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	10,610,906	7,353,259
Amounts owed to group undertakings	325,107	1,836,497
Corporation tax	6,883	-
PAYE and social security	442,286	458,561
VAT	469,378	409,104
Other creditors	1,415,548	744,004
Accruals and deferred income	507,283	356,542
Provision for loss on contract	330,000	-
	<hr/>	<hr/>
	14,107,391	11,157,967
	<hr/>	<hr/>

10 Pension costs

During the year, the company paid contributions of £4,296 (2011 £3,792) on behalf of the directors and £39,738 (2011 £34,767) on behalf of employees, to personal pension schemes. No contributions were outstanding at the year end (2011 nil).

11 Commitments under operating leases

At 31 October 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings	Other items	Land and Buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	2,995	18,000	44,159
Within 2 to 5 years	33,050	117,934	-	17,707
	<hr/>	<hr/>	<hr/>	<hr/>
	33,050	120,929	18,000	61,866
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

12 Contingent liabilities

The company has a contingent liability in respect of performance bonds. At the year end this amounted to £930,186 (2011 £821,910). It is the view of the directors that this liability is unlikely to become payable and as such a provision has not been made.

13 Transaction with the directors

During the year the company provided interest free loans to the following directors. These amounts are included within other debtors.

	Balance at 31 10 2012 £	Balance at 31 10 2011 £	Maximum Balance £
JH Davies	4,999	4,999	4,999
R Denyer	4,999	4,999	4,999
JN Edwards	4,999	4,999	4,999
SA Jayne	4,999	4,999	4,999
A Ray	4,999	4,999	4,999

14 Share capital

	£	2012 No	£	2011 No
<i>Allotted, called up and fully paid</i>				
10,000 Ordinary shares of £1 each	10,000	10,000	10,000	10,000

15 Profit and loss account

	2012 £	2011 £
Balance brought forward	1,533,096	1,106,532
Profit for the financial year	887,310	426,564
Balance carried forward	2,420,406	1,533,096

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	887,310	426,564
Net addition/(reduction) to shareholders' funds	887,310	426,564
Opening shareholders' funds	1,543,096	1,116,532
Closing shareholders' funds	2,430,406	1,543,096

17 Related party disclosures

During the year expenses of £361 (2011 £nil) were paid by Dyer and Butler Ltd on behalf of Wildway Limited, a company registered in England and Wales. At the balance sheet date, the company was owed £3,348 (2011 £2,987) by Wildway Limited, a company in which R G Dyer and D Butler are directors, and this is included in other debtors.

The Company conducted the following transactions with Dyer & Butler Electrical Ltd, a sister company, during the year:

- Purchase of Electrical Engineering services £1,074,601
- Provision of services, insurance, etc £ 114,321

All transactions were on an arm's length basis.

18 Ultimate parent company and parent undertaking of larger group of which the company is a member

Dyer & Butler Holdings Limited, a company registered in England and Wales, is the immediate parent undertaking.

Copies of the accounts can be obtained from the registered office, Mead House, Station Road, Nursling, Southampton, Hampshire, SO16 0AH.

19 Ultimate control

Due to the director shareholdings in Dyer & Butler Holdings Limited, no one party has ultimate control.