

DYER AND BUTLER LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2009

Company Registration Number 01450372

FRIDAY



AWNZNM45

A07

30/07/2010

427

COMPANIES HOUSE

DYER AND BUTLER LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

CONTENTS	PAGES
Officers and professional advisers	1 to 2
The directors' report	3 to 7
Independent auditor's report to the members	8 to 9
Profit and loss account	10
Balance sheet	11
Notes to the financial statements	12 to 18

DYER AND BUTLER LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 OCTOBER 2009

The board of directors	R G Dyer D Butler P R Hobbs J Whitehouse S A Jayne J N Edwards D Davies J Davies A Ray R Denyer
Business address	Mead House Station Road Nursling Southampton Hampshire SO16 0AH
Registered office	Mead House Station Road Nursling Southampton Hampshire SO16 0AH
Auditor	RSM Tenon Audit Limited Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Accountants	RSM Tenon Limited Accountants & Business Advisers Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
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

DYER AND BUTLER LIMITED
OFFICERS AND PROFESSIONAL ADVISERS *(continued)*
YEAR ENDED 31 OCTOBER 2009

Solicitors

Page, Gulliford & Gregory
9 Cumberland Place
Southampton
Hampshire
SO15 2WL

DYER AND BUTLER LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 OCTOBER 2009

The directors present their report and the financial statements of the company for the year ended 31 October 2009

Principal activities and business review

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

The company maintained its revenue for the year at £71,351,736 (2008 £72,919,467) The profit after tax for the financial year was £1,298,172 (2008 £2,729,182)

The year ending 31 October 2009 was a year of two halves, the 6 months to April 2009 was one of the busiest periods in the company's history with 60% of the total turnover for the year being carried out This was the continuation of the increased activity from the final quarter of the 2008 year

The downturn in the UK's economic climate started to affect the company in 2nd half, May to October Many of our clients were becoming cautious in placing new orders, and those that we have framework contracts with were cutting budgets and tendering was more competitive

The company took decisive action to realign the employee head count with the current and future opportunities Staff numbers fell by 21% from a peak of 540 in March 2009 We have continued to monitor the position and have continued to adjust staff levels in order to retain acceptable levels of staff utilisation

The Airports Division maintained the level of turnover during the year representing 36% of total turnover for the company The project based competitively tendered work increased by 52% during the year and now represents 32% of all works carried out by the division

The general Civil Engineering Division, working out of the 2 regional offices in South Brent and Swansea together with head office, increased turnover in the year by 13%

The Rail Division turnover fell during the year by 15% and represented 28% of the company turnover The fall in works carried out through the frameworks was compensated by a 15% rise in projects which are carried out for an increasingly wide client base

The company took a more prudent view than prior years on final account valuations where contracts were substantially complete at the year end and the client had certified considerably less than the company's applied value We are finding that final account agreements are becoming protracted and as such the company has written some final account valuations back to cash received

DYER AND BUTLER LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2009

Outlook

We are anticipating 2010 to be tough but indicators in terms of enquires are showing signs of an improving situation for late 2010 early 2011 however this could easily disappear if government cuts are aggressive, and dents clients confidence further

The frameworks that we have in place with Network Rail, BAA and London Underground together with the frameworks for local authorities will continue to give the company a stable work load, and allow us to improve our procedures in safety critical environments giving rise to further opportunities in these areas

We would anticipate a reduction in turnover for 2010, with a return to growth during 2011 as the economy starts to recover The forward order book at present is £75,000,000 and is a reflection of our marketing and high percentage of repeat business

During 2009 the company invested £300,850 (2008 £385,477) in training for its staff The company continues to providing quality training and is committed to develop our employees in terms of skills and safe working practices During the year we achieved 2M man-hours with out a reportable accident and achieved a 0 AFR a testimony to the board's commitment to training and health and safety of its staff

Results and dividends

The profit for the year, after taxation, amounted to £1,298,172 Particulars of dividends proposed are detailed in note 8 to the financial statements

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes through bank borrowings

The management's objectives are to

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds, and
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings, and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities

Hedge accounting is not used by the company

As all the company's surplus funds are invested in sterling bank deposit accounts and its borrowings are all obtained from standard bank loan accounts there is no interest risk exposure

The company's surplus funds are held primarily in short term variable rate deposit accounts The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise All deposits are held with reputable UK clearing banks

DYER AND BUTLER LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2009

Directors

The directors who served the company during the year were as follows

R G Dyer
D Butler
P R Hobbs
M J Donnelly
J Whitehouse
S A Jayne
J N Edwards
D Davies
T Schofield
J Davies
A Ray
R Denyer

A Ray was appointed as a director on 5 January 2009
R Denyer was appointed as a director on 5 January 2009

M J Donnelly resigned as a director on 19 December 2008
T Schofield resigned as a director on 14 May 2010

The Board would like to record its thanks to Mike Donnelly and Tom Schofield for their contribution to the company

Directors' responsibilities

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 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

DYER AND BUTLER LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2009

- 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions

	2009	2008
	£	£
Charitable donations	250	4,103

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.

DYER AND BUTLER LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2009

Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name

Signed on behalf of the directors



P R Hobbs
Director

Approved by the directors on *28/07/10*

DYER AND BUTLER LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYER
AND BUTLER LIMITED
YEAR ENDED 31 OCTOBER 2009

We have audited the financial statements of Dyer and Butler Limited for the year ended 31 October 2009 on pages 10 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 to 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 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 directors, and the overall presentation of the financial statements.

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 2009 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 matters 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.

DYER AND BUTLER LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYER
AND BUTLER LIMITED *(continued)***

YEAR ENDED 31 OCTOBER 2009

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

David Brookes, Senior Statutory Auditor
For and on behalf of



RSM Tenon Audit Limited
Statutory Auditor
Highfield Court
Toilgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date - 29 July 2010

DYER AND BUTLER LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2009

	Note	2009 £	2008 £
Turnover	2	71,351,736	72,919,467
Cost of sales		(61,950,834)	(61,374,815)
Gross profit		<u>9,400,902</u>	<u>11,544,652</u>
Administrative expenses		(7,587,914)	(7,699,125)
Operating profit	3	<u>1,812,988</u>	<u>3,845,527</u>
Interest receivable		67	24,669
Interest payable and similar charges	6	(274)	(19,281)
Profit on ordinary activities before taxation		<u>1,812,781</u>	<u>3,850,915</u>
Tax on profit on ordinary activities	7	(514,609)	(1,121,733)
Profit for the financial year		<u><u>1,298,172</u></u>	<u><u>2,729,182</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 12 to 18 form part of these financial statements

DYER AND BUTLER LIMITED

Registered Number 01450372

BALANCE SHEET**31 OCTOBER 2009**

	Note	2009 £	£	2008 £	£
Current assets					
Stocks	9	997,030		3,329,847	
Debtors	10	12,302,190		14,032,666	
Cash at bank		1,945,799		162,287	
		<u>15,245,019</u>		<u>17,524,800</u>	
Creditors: Amounts falling due within one year	11	<u>(14,137,094)</u>		<u>(16,415,047)</u>	
Net current assets			<u>1,107,925</u>		<u>1,109,753</u>
Capital and reserves					
Called-up share capital	16		10,000		10,000
Profit and loss account	17		1,097,925		1,099,753
Shareholders' funds	18		<u>1,107,925</u>		<u>1,109,753</u>

These financial statements were approved by the directors and authorised for issue on 26/07/2010, and are signed on their behalf by



P R Hobbs
Director

The notes on pages 12 to 18 form part of these financial statements

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

1. Accounting policies

Basis of accounting

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

A summary of the material accounting policies, which have been applied consistently, are set out below

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

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

Related party transactions

Advantage has been taken by the company of the FRS 8 exemption not to disclose intergroup transactions and balances in a 100 percent subsidiary on the grounds that the parent company prepares consolidated accounts that are publicly available

Turnover and profits

Turnover, which excludes value added tax, is in respect of the group'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 account 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. The company's policy is that the outcome can be assessed with reasonable certainty when the contract is substantially complete, and no profit is recognised before this point

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 and 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

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

1. Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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.

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.

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:

	2009	2008
	£	£
United Kingdom	<u>71,351,736</u>	<u>72,919,467</u>

3. Operating profit

Operating profit is stated after charging:

	2009	2008
	£	£
Accountancy fees	14,700	14,840
Auditor's remuneration		
- as auditor	24,500	24,000
- for other services	<u>14,700</u>	<u>14,840</u>

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

Auditor's fees

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

	2009	2008
	£	£
Audit	24,500	24,000
Accountancy	12,450	12,590
Taxation	2,250	2,250
	<u>39,200</u>	<u>38,840</u>

4. Particulars of employees

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

	2009	2008
	No	No
Directors	11	9
Administration and supervision	193	184
Direct labour	289	294
	<u>493</u>	<u>487</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	17,911,957	16,829,529
Social security costs	1,826,811	1,771,034
Other pension costs	37,722	44,937
	<u>19,776,490</u>	<u>18,645,500</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Aggregate remuneration	<u>516,268</u>	<u>197,367</u>

Remuneration of highest paid director:

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	<u>114,855</u>	<u>94,084</u>

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

6. Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	274	134
Other similar charges payable	—	19,147
	<u>274</u>	<u>19,281</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
UK Corporation tax	<u>514,609</u>	<u>1,121,733</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 30%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>1,812,781</u>	<u>3,850,915</u>
Profit on ordinary activities by rate of tax	507,579	1,155,275
Effects of		
Expenses not deductible for tax purposes	7,030	11,516
Tax chargeable at lower rates	—	(45,058)
Total current tax (note 7(a))	<u>514,609</u>	<u>1,121,733</u>

8. Dividends

Equity dividends

	2009 £	2008 £
Paid during the year		
Equity dividends on ordinary shares	<u>—</u>	<u>2,500,000</u>
Proposed at the year-end (recognised as a liability)		
Equity dividends on ordinary shares	<u>1,300,000</u>	<u>—</u>

9. Stocks

	2009 £	2008 £
Work in progress	<u>997,030</u>	<u>3,329,847</u>

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

10. Debtors

	2009 £	2008 £
Trade debtors	8,374,806	9,103,919
Amounts owed by group undertakings	—	1,056,969
Amounts recoverable on Long Term Contracts	3,617,589	3,376,310
Other debtors	159,654	278,060
Prepayments and accrued income	150,141	217,408
	<u>12,302,190</u>	<u>14,032,666</u>

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

	2009 £	2008 £
Amounts recoverable on Long Term Contracts	<u>234,636</u>	<u>—</u>

11. Creditors: Amounts falling due within one year

	2009 £	2008 £
Payments received on account	9,524	1,574,152
Trade creditors	8,517,948	9,316,049
Amounts owed to group undertakings	3,265,014	—
Corporation tax	135,551	621,733
PAYE and social security	501,032	626,404
VAT	385,909	1,248,959
Other creditors	801,645	559,308
Accruals and deferred income	520,471	2,468,442
	<u>14,137,094</u>	<u>16,415,047</u>

12. Pension costs

During the year, the company paid contributions of £8,689 (2008 - £nil) on behalf of the directors and £29,033 (2008 - £44,937) on behalf of employees, to personal pension schemes

There were 5 (2008 - 3) directors who accrued benefits under the pension schemes above

No contributions were outstanding at the year end (2008 - £nil)

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

13. Commitments under operating leases

At 31 October 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	25,359	-	10,749
Within 2 to 5 years	50,400	81,601	50,400	67,190
	<u>50,400</u>	<u>106,960</u>	<u>50,400</u>	<u>77,939</u>

14. Contingent liabilities

The company has a contingent liability in respect of performance bonds. At the year end this amounted to £780,654 (2008 - £548,015). It is the view of the directors that this liability is unlikely to become payable and as such a provision has not been made.

15. Transactions 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 2009 £	Balance at 31 10 2008 £	Maximum balance £
J Davies	4,999	-	4,999
R Deyner	2,500	4,999	4,999
J N Edwards	4,999	4,999	4,999
D Davies	1,500	3,400	3,400
S A Jayne	4,999	4,999	4,999
T Schofield	2,500	2,500	2,500
A Ray	4,999	4,999	4,999

16. Share capital

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

17. Profit and loss account

	2009 £	2008 £
Balance brought forward	1,099,753	870,571
Profit for the financial year	1,298,172	2,729,182
Equity dividends	(1,300,000)	(2,500,000)
Balance carried forward	<u>1,097,925</u>	<u>1,099,753</u>

DYER AND BUTLER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2009

18. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	1,298,172	2,729,182
Equity dividends	(1,300,000)	(2,500,000)
Net (reduction)/addition to shareholders' funds	(1,828)	229,182
Opening shareholders' funds	1,109,753	880,571
Closing shareholders' funds	<u>1,107,925</u>	<u>1,109,753</u>

19. Related party transactions

During the year expenses of £15 (2008 - £15) were paid by Dyer and Butler Limited on behalf of Wildway Limited, a company registered in England and Wales. Dyer and Butler Limited also received a refund of £86 (2008 - £nil) in respect of legal fees which had previously been paid on behalf of Wildway Limited. At the balance sheet date, the company was owed £2,972 (2008 - £3,043) by Wildway Limited, a company in which R G Dyer and D Butler are directors, and this is included in other debtors. Also included within debtors is an amount of £35,694 (2008 - £35,694) due from Wildway Limited in respect of retention debtors.

All transactions were on an arms length basis.

20. Ultimate parent company

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.

21. Ultimate control

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