

Company Registration No. 00782078 (England and Wales)

**J HARPER AND SONS (LEOMINSTER) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

## COMPANY INFORMATION

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**J HARPER AND SONS (LEOMINSTER) LIMITED**

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**J HARPER AND SONS (LEOMINSTER) LIMITED**

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**DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2012***

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The directors present their report and financial statements for the year ended 31 December 2012.

**Principal activities and review of the business**

The principal activity of the company continues to be the provision of building contractor services delivering all construction types, including but not restricted to, commercial, industrial, leisure and retail, health, education, refurbishment, public buildings, affordable and private housing of all sizes under all procurement routes.

The Directors are pleased to report continuing profitability in 2012 despite challenging market conditions. A large number of projects have been secured for 2013 and enquiry levels remain high. The Company's ongoing strategy is to ensure that the operating costs are correlated to the appropriate available workload and, on this basis, the Directors remain positive about continuing to operate profitably during 2013.

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the strong competition within the sector and the general outlook for the UK and the regional economies. Risks are reviewed by the directors' and appropriate processes are put into place to monitor and mitigate them.

In the opinion of the directors the financial position of the company is satisfactory at the balance sheet date.

**Results and dividends**

The results for the year are set out on page 5.

**Directors**

The following directors have held office since 1 January 2012:

Mr P Mondon	.
Miss V Overton	.
Mr A Rees	.
Mr M Harvey	.

**Auditors**

The auditors, CK Audit, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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**J HARPER AND SONS (LEOMINSTER) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2012***

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**Statement of 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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.

**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mr A Rees

**Director**

2 April 2013

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**J HARPER AND SONS (LEOMINSTER) LIMITED**

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**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF J HARPER AND SONS (LEOMINSTER) LIMITED**

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We have audited the financial statements of J Harper and Sons (Leominster) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 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, 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 December 2012 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.

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.

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**J HARPER AND SONS (LEOMINSTER) LIMITED**

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**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE MEMBERS OF J HARPER AND SONS (LEOMINSTER) LIMITED**

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**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.

**Wendy Davies (Senior Statutory Auditor)**  
**for and on behalf of CK Audit**

2 April 2013

**Chartered Accountants**  
**Statutory Auditor**

No.4 Castle Court 2  
Castlegate Way  
Dadley  
West Midlands  
DY1 4RH

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	2011 £
<b>Turnover</b>	<b>2</b>	8,438,086	7,013,193
Cost of sales		(7,294,128)	(5,991,237)
<b>Gross profit</b>		1,143,958	1,021,956
Administrative expenses		(1,131,116)	(974,674)
Other operating income		3,001	121
<b>Operating profit</b>	<b>3</b>	15,843	47,403
Other interest receivable and similar income			
	<b>4</b>	1,866	2,913
Interest payable and similar charges	<b>5</b>	(1,429)	(1,358)
<b>Profit on ordinary activities before taxation</b>		16,280	48,958
Tax on profit on ordinary activities	<b>6</b>	(5,589)	(17,922)
<b>Profit for the year</b>	<b>12</b>	10,691	31,036

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



**J HARPER AND SONS (LEOMINSTER) LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2012**

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	7		39,250		51,744
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	1,544,147		1,045,628	
Debtors: amounts falling due after more than one year	8	2,672,344		2,865,102	
Cash at bank and in hand		932,787		964,481	
		<u>5,149,278</u>		<u>4,875,211</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,396,963)</u>		<u>(2,146,081)</u>	
<b>Net current assets</b>			<u>2,752,315</u>		<u>2,729,130</u>
<b>Total assets less current liabilities</b>			<u><u>2,791,565</u></u>		<u><u>2,780,874</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		2,000		2,000
Profit and loss account	12		<u>2,789,565</u>		<u>2,778,874</u>
<b>Shareholders' funds</b>	13		<u><u>2,791,565</u></u>		<u><u>2,780,874</u></u>

Approved by the Board and authorised for issue on 2 April 2013

Mr M Harvey  
Director

Company Registration No. 00782078

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**J HARPER AND SONS (LEOMINSTER) LIMITED**  
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**CASH FLOW STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2012***  
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		<b>2012</b>		<b>2011</b>
	£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>		(14,209)		1,637
<b>Returns on investments and servicing of finance</b>				
Interest received	1,866		2,913	
Interest paid	(1,429)		(1,358)	
<b>Net cash inflow for returns on investments and servicing of finance</b>		437		1,555
<b>Taxation</b>		(17,922)		(22,362)
<b>Net cash outflow before management of liquid resources and financing</b>		(31,694)		(19,170)
<b>Decrease in cash in the year</b>		(31,694)		(19,170)

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>		<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
Operating profit		15,843	47,403
Depreciation of tangible assets		12,494	13,705
(Increase)/decrease in debtors		(305,761)	167,750
Increase/(decrease) in creditors within one year		263,215	(227,221)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(14,209)</b>	<b>1,637</b>
<b>2 Analysis of net funds</b>			
	<b>1 January 2012</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:			
Cash at bank and in hand	964,481	(31,694)	-
Bank deposits	-	-	-
<b>Net funds</b>	<b>964,481</b>	<b>(31,694)</b>	<b>-</b>
<b>3 Reconciliation of net cash flow to movement in net funds</b>		<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
Decrease in cash in the year		(31,694)	(19,170)
<b>Movement in net funds in the year</b>		<b>(31,694)</b>	<b>(19,170)</b>
Opening net funds		964,481	983,651
<b>Closing net funds</b>		<b>932,787</b>	<b>964,481</b>

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**J HARPER AND SONS (LEOMINSTER) LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31 DECEMBER 2012***  
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**1 Accounting policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

**1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

**1.3 Tangible fixed assets and depreciation**

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

Leasehold improvements	10% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

**1.4 Leasing**

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

**1.5 Long term contracts**

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

**1.6 Pensions**

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

**1.7 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

**2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>3</b>	<b>Operating profit</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	12,494	13,705
	Operating lease rentals		
	- Motor vehicles	182,408	167,692
	- Other assets	46,500	46,500
	and after crediting:		
	Rents receivable	3,001	121
		<u>          </u>	<u>          </u>
	<b>Auditors' remuneration</b>		
	Fees payable to the company's auditor for the audit of the company's annual accounts	6,200	6,200
	Taxation services	750	750
	Non audit services	1,000	1,000
		<u>          </u>	<u>          </u>
		7,950	7,950
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Bank interest	1,866	2,913
		<u>          </u>	<u>          </u>
		1,866	2,913
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Other interest	1,429	1,358
		<u>          </u>	<u>          </u>

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

6	Taxation	2012 £	2011 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	5,589	17,922
	<b>Total current tax</b>	5,589	17,922
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	16,280	48,958
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 26.50%)	3,256	12,974
	Effects of:		
	Non deductible expenses	-	188
	Depreciation in excess of capital allowances	1,709	2,058
	Directors'/participants' remuneration adjustment	-	3,399
	Other tax adjustments	624	(697)
		2,333	4,948
	<b>Current tax charge for the year</b>	5,589	17,922

7	Tangible fixed assets	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
		£	£	£	£
	<b>Cost</b>				
	At 1 January 2012 & at 31 December 2012	88,630	8,603	176,753	273,986
	<b>Depreciation</b>				
	At 1 January 2012	51,411	7,628	163,203	222,242
	Charge for the year	8,863	244	3,387	12,494
	At 31 December 2012	60,274	7,872	166,590	234,736
	<b>Net book value</b>				
	At 31 December 2012	28,356	731	10,163	39,250
	At 31 December 2011	37,219	975	13,550	51,744

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>8 Debtors</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade debtors	247,768	195,828
Amounts recoverable on long term contracts	1,021,655	721,381
Amounts owed by parent and fellow subsidiary undertakings	2,678,773	2,865,102
Other debtors	200,006	71,272
Prepayments and accrued income	68,289	57,147
	<u>4,216,491</u>	<u>3,910,730</u>

Amounts falling due after more than one year and included in the debtors above are:

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u>2,672,344</u>	<u>2,865,102</u>

The directors have agreed that they will not seek repayment this loan within 12 months of the balance sheet date.

<b>9 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Trade creditors	2,276,202	1,993,121
Corporation tax	5,589	17,922
Other taxes and social security costs	20,385	17,136
Other creditors	4,440	3,555
Accruals and deferred income	90,347	114,347
	<u>2,396,963</u>	<u>2,146,081</u>

**10 Pension and other post-retirement benefit commitments**

**Defined contribution**

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>38,924</u>	<u>25,208</u>

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>11 Share capital</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
2,000 Ordinary shares of £1 each	2,000	2,000
	<b>=====</b>	<b>=====</b>

**12 Statement of movements on profit and loss account**

	<b>Profit and loss account</b>
	<b>£</b>
Balance at 1 January 2012	2,778,874
Profit for the year	10,691
	<b>=====</b>
Balance at 31 December 2012	2,789,565
	<b>=====</b>

**13 Reconciliation of movements in shareholders' funds**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	10,691	31,036
Opening shareholders' funds	2,780,874	2,749,838
	<b>=====</b>	<b>=====</b>
Closing shareholders' funds	2,791,565	2,780,874
	<b>=====</b>	<b>=====</b>

**14 Contingent liabilities**

The company is party to unlimited guarantees and cross guarantees with other group companies to secure overdraft facilities of Harper Group Plc and its subsidiaries. As at 31 December 2012 the amount owing by other group companies was £nil (2011 £ nil).



**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

**15 Financial commitments**

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
Within one year	-	46,500	29,064	12,307
Between two and five years	-	-	100,786	124,081
In over five years	46,500	-	-	-
	<u>46,500</u>	<u>46,500</u>	<u>129,850</u>	<u>136,388</u>

**16 Directors' remuneration**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	259,838	248,343
Company pension contributions to defined contribution schemes	26,861	12,654
	<u>286,699</u>	<u>260,997</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2011 - 3).

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

Remuneration for qualifying services	108,884	106,779
Company pension contributions to defined contribution schemes	11,448	5,393
	<u>120,332</u>	<u>112,172</u>

**J HARPER AND SONS (LEOMINSTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

**17 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Administration staff	13	12
Site based	30	32
	<u>43</u>	<u>44</u>

**Employment costs**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,264,750	1,259,235
Social security costs	123,513	123,399
Other pension costs	38,924	25,208
	<u>1,427,187</u>	<u>1,407,842</u>

**18 Control**

The ultimate parent company is Harper Group Management Limited, a company registered in England and Wales.

Harper Group Management Limited prepares group financial statements and copies can be obtained from Beeches Road, Rowley Regis, Warley, West Midlands B65 0BB.

The immediate parent company is Harper Group plc.

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**J HARPER AND SONS (LEOMINSTER) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2012***

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**19 Related party relationships and transactions**

A P Rees is a director of Hereford and Gloucestershire Construction Safety Association Limited (HGCSA). The company made purchases of £6,931 (2011 £5,558) from HGCSA Limited. At the balance sheet date £2,125 was due from HGCSA Limited (2011 £246 owed to HGCSA Limited).

During the year, the company carried out work on property owned by P Mondon to the value of £6,584 (2011 £18,995). The work was carried out on normal commercial terms.

During the year, the company has carried out construction work for ICC (One) Limited, a company under common control amounting to £24,073 (2011 £529,120). Amounts recoverable on long term contracts at the year end includes an amount of £25,536 (2011 £22,536 ). The work has been carried out on normal commercial terms.

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.