

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020



DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

COMPANY INFORMATION

Directors	D H Danaher B V Danaher R W Fitzjohn I M Gilbert
Company secretary	S Danaher
Registered number	03951818
Registered office	20 Granite Way Mountsorrel Loughborough Leicestershire LE12 7TZ
Independent auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

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DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

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

Business review

The results for the year are set out in detail on page 7.

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the end of the year. Our review is consistent with the size and nature of our business and is written in the context of our known risks and uncertainties. We consider that our key financial performance indicators, turnover and margins, are those that communicate the financial performance and strength of the company.

The company is a major small to medium sized contractor (SME) in the Midlands and has been established for over 50 years. It is an objective in our Business Plan to secure at least 40% of our turnover with frameworks and 30% with negotiated contracts. Frameworks provided 48% of turnover in the year.

Principal risks and uncertainties

As for many businesses of our size the trading climate remains challenging; however the Company's sales continue to grow as a result of a focus on business development activities in line with our strategic goals. The company makes little use of financial instruments other than an operational bank account, and its trade is exclusively within the UK and transacted in UK sterling. Accordingly, in the opinion of the directors, the exposure to price risk, credit risk, liquidity risk, and cash flow risk is not a significant matter in terms of the assessment of the assets, liabilities, financial position and profit of the company.

Coronavirus

At the date of signing these accounts, Coronavirus represents both a risk to the business and its people. The company is taking active measures to ensure its people remain safe and healthy. Measures include additional education on cleanliness, self-isolation, social distancing and the ability to work from home or in roster patterns where necessary. There are daily business continuity and health and safety meetings to ensure compliance with the measures introduced.

Financial key performance indicators

Turnover has increased in the year to 31 March 2020 by 2.1% to £20.8 million. Gross profit margin has decreased by 2.9% from 20.2% to 17.3% and profit before tax has decreased to £0.3 million. As a result of the Coronavirus pandemic, in the coming year the company will focus on maintaining turnover and gross profit margin and controlling overheads, however we expect the downward pressure on our margins to continue in a very competitive market environment.

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

DocuSigned by:

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D H Danaher
Director

Date: 11 November 2020

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £252,812 (2019: £730,584).

Dividends paid during the year amounted to £Nil (2019: £150,000). The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year are stated on the company information page.

Coronavirus

At the date of signing these financial statements, the directors have considered the effect on the company with the information available to it, and do not believe it will affect the company's ability to continue to trade for the foreseeable future. As with most businesses there were short term practical difficulties which the directors have addressed and are managing. However, there are also positive signs from clients which should enable the company to continue to operate normally, together with winning new potential commercial opportunities where the company is well placed. See note 1.2 for further details.

Future developments

The directors do not foresee any changes to the principal activity of the company.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

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

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

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

DocuSigned by:

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D H Danaher
Director

Date: 11 November 2020

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

Opinion

We have audited the financial statements of Danaher & Walsh (Civil Engineering) Limited (the 'company') for the year ended 31 March 2020, which comprise the statement of income and retained earnings, the balance sheet and the related notes, 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 Financial Reporting Standard 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 state of the company's affairs as at 31 March 2020 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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DANAHER & WALSH (CIVIL ENGINEERING) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, 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.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DANAHER & WALSH (CIVIL ENGINEERING) LIMITED (CONTINUED)

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 auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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.



Alison Fovargue (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 13 November 2020

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	1.4,3	20,828,803	20,396,141
Cost of sales		(17,223,032)	(16,267,826)
Gross profit		<u>3,605,771</u>	<u>4,128,315</u>
Administrative expenses		(3,324,195)	(3,221,444)
Operating profit	4	<u>281,576</u>	<u>906,871</u>
Interest payable and similar charges	7	(774)	(2,115)
Profit on ordinary activities before taxation		<u>280,802</u>	<u>904,756</u>
Taxation on profit on ordinary activities	8	(27,990)	(174,172)
Profit for the financial year		<u><u>252,812</u></u>	<u><u>730,584</u></u>
Retained earnings at the beginning of the year		2,734,753	2,154,169
Profit for the year		252,812	730,584
Dividends paid		-	(150,000)
Retained earnings at the end of the year		<u><u>2,987,565</u></u>	<u><u>2,734,753</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

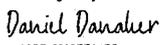
The notes on pages 9 to 22 form part of these financial statements.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED
REGISTERED NUMBER: 03951818

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	10	410,913	295,467
Current assets			
Stocks	11	9,395	10,081
Debtors	12	3,557,144	5,014,746
Cash at bank and in hand		2,704,432	1,207,478
		<u>6,270,971</u>	<u>6,232,305</u>
Creditors: amounts falling due within one year	13	<u>(3,646,605)</u>	<u>(3,765,622)</u>
Net current assets		<u>2,624,366</u>	<u>2,466,683</u>
Total assets less current liabilities		<u>3,035,279</u>	<u>2,762,150</u>
Provisions for liabilities			
Deferred tax	14	(47,713)	(27,396)
Net assets		<u><u>2,987,566</u></u>	<u><u>2,734,754</u></u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account	16	2,987,565	2,734,753
		<u><u>2,987,566</u></u>	<u><u>2,734,754</u></u>

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

DocuSigned by:

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D H Danaher
 Director

Date: 11 November 2020

The notes on pages 9 to 22 form part of these financial statements.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies

1.1 Basis of preparation of financial statements

Danaher and Walsh (Civil Engineering) Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed on the company information page.

The financial statements are prepared in Sterling (£). The financial statements are for the year ended 31 March 2020 (2019: year ended 31 March 2019).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement, complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 Coronavirus and going concern

At the balance sheet date the company had a significant cash balance and strong net current asset position. At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

Since the year end, the company has continued to trade throughout the period of lockdown caused by Coronavirus. The company has made use of the UK Government support available to businesses during this difficult time under the Coronavirus Job Retention Scheme and deferring a VAT payment.

The directors have prepared detailed forecasts which show reduced levels of activity when compared to levels which had previously been anticipated. Using these assumptions the forecasts show that the company will be able to operate within the facilities available to it.

On that basis, the directors have prepared these financial statements on a going concern basis.

1.3 Disclosure exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under the standard in relation to the presentation of a cash flow statement and the aggregate remuneration of key management personnel (other than directors emoluments). Where required, equivalent disclosures are given in the group accounts of Danaher & Walsh Group Limited. The group accounts for Danaher & Walsh Group Limited are available to the public and can be obtained as set out in note 20.

The following accounting policies have been applied:

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)

1.4 Turnover and profit recognition

Turnover represents amounts due on contracts completed in the year adjusted for turnover attributable to long term work in progress, exclusive of value added tax and trade discounts.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Cumulative turnover is compared with total payments on account. If turnover exceeds payments on account, an amount recoverable on contract is recognised and separately disclosed.

If payments on account are greater than turnover to date, the excess is classified within creditors.

The amount of long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress.

Rendering of services

Turnover from a contract to provide services is recognised when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred or to be incurred in respect of the transaction can be measured

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to the statement of income and retained earnings during the period in which they are incurred.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives on the following basis:

Plant and equipment	- 14.3% and 20% on cost per annum
Motor vehicles	- 20% on cost per annum
Fixtures and fittings	- 20%, 33% and 50% on cost per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of income and retained earnings.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of income and retained earnings.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and loans with related parties.

All basic financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.9 Leasing and hire purchase

Assets that are held by the company under leases which transfer substantially all the risk and rewards of ownership are classified as being held under hire purchase or finance leases. Leases which do not transfer substantially all the risk and rewards of ownership are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.12 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current or deferred tax is recognised in the statement of income and retained earnings, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current or deferred tax is also recognised in other comprehensive income or directly in equity respectively.

The current and deferred tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of non-current assets

The directors assess the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Recoverability of trade and other debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of income and retained earnings.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

**2. Judgements in applying accounting policies and key sources of estimation uncertainty
(continued)**

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

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.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and director's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Recognition of profit on long term contracts

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting.

Leases

The directors determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases requires judgement. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets held under finance	33,552	47,240
Depreciation of tangible fixed assets owned	85,697	39,884
Other operating lease rentals	94,822	167,501
	<u> </u>	<u> </u>

The audit fees are borne by the parent company, Danaher & Walsh Group Limited.

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	£	£
Wages and salaries	2,788,807	2,767,121
Social security costs	322,123	331,741
Pension costs	94,822	83,134
	<u> </u>	<u> </u>
	<u>3,205,752</u>	<u>3,181,996</u>

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

	2020	2019
	No.	No.
Production	45	44
Administrative	14	14
Management	4	3
	<u> </u>	<u> </u>
	<u>63</u>	<u>61</u>

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****6. Directors' remuneration**

	2020	2019
	£	£
Directors' emoluments	165,756	210,365
Company contributions to defined contribution pension schemes	9,489	7,301
	<u>175,245</u>	<u>217,666</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

Other directors are remunerated by the parent company, Danaher & Walsh Group Limited.

7. Interest payable and similar charges

	2020	2019
	£	£
Finance leases and hire purchase contracts	<u>774</u>	<u>2,115</u>

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	170,588
Adjustments in respect of previous periods	7,673	(71)
Total current tax	<u>7,673</u>	<u>170,517</u>
Deferred tax		
Origination and reversal of timing differences	28,718	3,655
Adjustment to deferred tax in respect of prior period	(8,401)	-
Total deferred tax	<u>20,317</u>	<u>3,655</u>
Taxation on profit on ordinary activities	<u><u>27,990</u></u>	<u><u>174,172</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>280,802</u>	<u>904,756</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	53,352	171,904
Effects of:		
Expenses not deductible for tax purposes	5,268	3,030
Other tax adjustments	-	(691)
Adjustments to tax charge in respect of prior periods	7,673	(71)
Remeasurement of deferred tax for changes in tax rates	2,235	-
Group relief claimed	(32,137)	-
Adjustment to deferred tax in respect of prior period	(8,401)	-
Total tax charge for the year	<u><u>27,990</u></u>	<u><u>174,172</u></u>

Factors that may affect future tax charges

On the 11 March 2020 the Chancellor of the Exchequer announced that the tax rate reduction from 19% to 17% was no longer going to be implemented.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Dividends

	2020 £	2019 £
Dividend paid on ordinary shares	-	150,000

10. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 April 2019	-	425,328	164,214	589,542
Additions	122,151	88,750	8,383	219,284
Transfers intra group	31,769	80,550	-	112,319
Disposals	(28,900)	(49,579)	-	(78,479)
At 31 March 2020	<u>125,020</u>	<u>545,049</u>	<u>172,597</u>	<u>842,666</u>
Depreciation				
At 1 April 2019	-	171,209	122,866	294,075
Charge for the year	2,120	95,373	21,756	119,249
Transfers intra group	22,208	45,800	-	68,008
Disposals	-	(49,579)	-	(49,579)
At 31 March 2020	<u>24,328</u>	<u>262,803</u>	<u>144,622</u>	<u>431,753</u>
Net book value				
At 31 March 2020	<u>100,692</u>	<u>282,246</u>	<u>27,975</u>	<u>410,913</u>
At 31 March 2019	<u>-</u>	<u>254,119</u>	<u>41,348</u>	<u>295,467</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	-	190,232

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Stocks

	2020 £	2019 £
Raw materials	9,395	10,081

Purchases recognised in cost of sales during the year as an expense were £4,903,188 (2019: £4,898,819)

12. Debtors

	2020 £	2019 £
Trade debtors	1,539,123	1,629,655
Amounts owed by group undertakings	640,927	1,430,785
Other debtors	-	893,966
Prepayments and accrued income	66,467	60,330
Amounts recoverable on long term contracts	1,310,627	1,000,010
	<u>3,557,144</u>	<u>5,014,746</u>

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,535,196	2,599,108
Amounts owed to group undertakings	714,451	422,314
Corporation tax	-	170,588
Other taxation and social security	261,789	243,169
Obligations under finance lease and hire purchase contracts	-	95,153
Accruals and deferred income	135,169	235,290
	<u>3,646,605</u>	<u>3,765,622</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Deferred taxation

	2020 £	2019 £
At beginning of year	27,396	23,741
Charged to statement of income and retained earnings	20,317	3,655
At end of year	<u>47,713</u>	<u>27,396</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	48,957	28,509
Short term timing differences	(1,244)	(1,113)
	<u>47,713</u>	<u>27,396</u>

15. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

16. Reserves

Share Capital

Share Capital represents the nominal value of shares that have been issued.

Profit and loss account

This reserve represents all current and prior period retained profit and losses less dividends paid.

17. Capital commitments

At 31 March 2020 the company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>90,000</u>

DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****18. Commitments under operating leases**

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	123,485	112,675
Later than 1 year and not later than 5 years	76,623	140,495
	<u>200,108</u>	<u>253,170</u>

19. Related party transactions

Advantage has been taken of the exemption provided by FRS 102 Section 33.1A not to disclose transactions with fellow group companies and disclosure of key management personnel as the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available.

20. Ultimate parent undertaking and controlling party

The company's immediate parent company and ultimate parent undertaking is Danaher & Walsh Group Limited, a company registered in England and Wales. Danaher & Walsh Group Limited heads the group in which these financial statements are consolidated. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling parties are B V Danaher and D H Danaher.