

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**



**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

**COMPANY INFORMATION**

**Directors**

D H Danaher  
B V Danaher  
R W Fitzjohn (resigned 31 March 2021)  
I M Gilbert  
S Danaher (appointed 31 March 2021)

**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 2021**

#### **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 8.

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 pipeline is encouraging, reflecting the increased focus placed 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 cashflow risk is not a significant matter in terms of the assessment of the assets, liabilities, financial position and profit of the company.

At the date of signing these financial statements, the UK has successfully implemented a vaccine programme to combat the COVID-19 pandemic and as a result 'lockdowns' are easing. The company has continued to trade throughout all lockdowns imposed since March 2020.

The UK government provided unprecedented levels of financial support for the economy in the form of grants to retain employees that are furloughed.

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 trade for the foreseeable future. See note 1.2 for further details.

#### **Financial key performance indicators**

As a result of contract delays due to the pandemic, turnover has decreased by 15.6% to £17.6m. The gross margin has increased by 0.7% from 12.1% to 12.8%. Profit before tax has increased to £0.4m.

Over the coming year, the company will focus on winning and delivering high quality, higher value projects in order to increase turnover and margin in a highly competitive market. We expect the downward pressure on margins to continue, particularly given the materials and labour shortages currently facing the industry.

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

DocuSigned by:  
  
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**D H Danaher**  
Director

Date: 13 December 2021

## **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

#### **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 for the company's financial statements 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 £433,949 (2020: £252,812).

No dividends were paid during the year or previous year. 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.

#### **Strategic Report**

The company has chosen in accordance with Section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

#### **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 2021**

**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: 13 December 2021

## **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, 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 2021, 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 2021 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 Auditors' 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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

## **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF DANAHER & WALSH (CIVIL ENGINEERING) LIMITED (CONTINUED)**

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, AS A BODY, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls, including discussions with the Health and Safety Compliance manager for the company, and a review of legal and professional expenses;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- obtaining an understanding and testing of the assumptions and calculations involved in the recognition of long term contracts, including review of forecasts, detailed cost allocation testing and a review of the completeness of provisions for loss making contracts; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and associated parties;

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

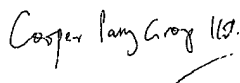
**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF DANAHER & WALSH (CIVIL ENGINEERING) LIMITED (CONTINUED)**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



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 December 2021

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	As restated 2020 £
<b>Turnover</b>	3	17,581,936	20,828,803
Cost of sales		(15,325,933)	(18,311,124)
<b>Gross profit</b>		2,256,003	2,517,679
Administrative expenses		(2,058,314)	(2,236,103)
Other operating income	4	174,921	-
<b>Operating profit</b>	5	372,610	281,576
Interest payable and similar charges	8	(259)	(774)
<b>Profit before tax</b>		372,351	280,802
Tax on profit	9	61,598	(27,990)
<b>Profit after tax</b>		433,949	252,812
Retained earnings at the beginning of the year		2,987,565	2,734,753
Profit for the year		433,949	252,812
<b>Retained earnings at the end of the year</b>		3,421,514	2,987,565

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 23 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	10	376,239	410,913
<b>Current assets</b>			
Stocks	11	6,574	9,395
Debtors	12	4,453,243	3,557,144
Cash at bank and in hand		1,405,683	2,704,432
		<u>5,865,500</u>	<u>6,270,971</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,769,796)</u>	<u>(3,646,605)</u>
<b>Net current assets</b>		<u>3,095,704</u>	<u>2,624,366</u>
<b>Total assets less current liabilities</b>		<u>3,471,943</u>	<u>3,035,279</u>
<b>Provisions for liabilities</b>			
Deferred tax	14	<u>(50,428)</u>	<u>(47,713)</u>
<b>Net assets</b>		<u><u>3,421,515</u></u>	<u><u>2,987,566</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Profit and loss account	16	<u>3,421,514</u>	<u>2,987,565</u>
		<u><u>3,421,515</u></u>	<u><u>2,987,566</u></u>

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

DocuSigned by:  
  
A3D749998EEA4BB...  
**D H Danaher**  
Director

Date: 13 December 2021

The notes on pages 10 to 23 form part of these financial statements.

## **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **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 2021 (2020: year ended 31 March 2020).

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 of £1,405,683 and strong net current asset position of £3,095,704.

At the time of signing these accounts, the directors have prepared detailed forecasts, and considered the ongoing 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.

The company has made use of the UK Government support available to businesses during this difficult time under the Coronavirus Job Retention Scheme, Business Rates Relief and deferral of a VAT payment.

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 21.

The following accounting policies have been applied:

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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.

## **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **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.

##### **1.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure. Government grants relating to the receipt of Coronavirus Job Retention Scheme and Coronavirus Business Rates Relief income are included within other operating income in the profit and loss account.

## **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. Accounting policies (continued)**

##### **1.8 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.

##### **1.9 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.

##### **1.10 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.

##### **1.11 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 2021**

**1. Accounting policies (continued)**

**1.12 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.

**1.13 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.

**1.14 Prior year restatement**

During the year the directors have restated certain amounts of cost of sales and administrative expenses to better reflect the nature of the transactions. The changes made have no impact on the profit after tax or net assets in the current or prior year.

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 2021**

#### **2. Judgements in applying accounting policies (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 2021****3. Turnover**

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

All turnover arose within the United Kingdom.

**4. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Government grants receivable	174,921	-
	<u>174,921</u>	<u>-</u>

Government grants relate to income received under the Coronavirus Job Retention Scheme and Coronavirus Business Rates Relief.

**5. Operating profit**

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets held under finance	3,639	33,552
Depreciation of tangible fixed assets owned	133,299	85,697
Other operating lease rentals	83,724	94,822
	<u>140,662</u>	<u>214,071</u>

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

# **DANAHER & WALSH (CIVIL ENGINEERING) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

### **6. Employees**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,715,259	2,788,807
Social security costs	319,495	322,123
Pension costs	83,724	94,822
	<u>3,118,478</u>	<u>3,205,752</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Production	47	45
Administrative	11	14
Management	3	4
	<u>61</u>	<u>63</u>

### **7. Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	184,669	165,756
Company contributions to defined contribution pension schemes	9,932	9,489
	<u>194,601</u>	<u>175,245</u>

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

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

### **8. Interest payable and similar charges**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finance leases and hire purchase contracts	<u>259</u>	<u>774</u>

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****9. Taxation**

	<b>2021</b> £	<b>2020</b> £
<b>Corporation tax</b>		
Current tax on profits for the year	28,116	-
Adjustments in respect of previous periods	(92,429)	7,673
<b>Total current tax</b>	(64,313)	7,673
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,715	28,718
Adjustment to deferred tax in respect of prior period	-	(8,401)
<b>Total deferred tax</b>	2,715	20,317
<b>Taxation on profit on ordinary activities</b>	(61,598)	27,990

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	<b>2021</b> £	<b>2020</b> £
Profit on ordinary activities before tax	372,351	280,802
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	70,747	53,352
<b>Effects of:</b>		
Expenses not deductible for tax purposes	370	5,268
Adjustments to tax charge in respect of prior periods	(92,429)	7,673
Remeasurement of deferred tax for changes in tax rates	-	2,235
Group relief claimed	(40,286)	(32,137)
Adjustment to deferred tax in respect of prior period	-	(8,401)
<b>Total tax (credit)/charge for the year</b>	(61,598)	27,990

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023, this rate was enacted on 25 May 2020. Deferred tax has been calculated at the legislated rate on the balance sheet date of 19%.

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****10. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2020	125,020	545,049	172,597	842,666
Additions	6,965	112,441	13,622	133,028
Transfers intra group	-	(8,975)	-	(8,975)
Disposals	(22,000)	(25,975)	-	(47,975)
At 31 March 2021	<u>109,985</u>	<u>622,540</u>	<u>186,219</u>	<u>918,744</u>
<b>Depreciation</b>				
At 1 April 2020	24,328	262,803	144,622	431,753
Charge for the year	19,388	103,706	13,844	136,938
Transfers intra group	-	(8,975)	-	(8,975)
Disposals	-	(17,211)	-	(17,211)
At 31 March 2021	<u>43,716</u>	<u>340,323</u>	<u>158,466</u>	<u>542,505</u>
<b>Net book value</b>				
At 31 March 2021	<u>66,269</u>	<u>282,217</u>	<u>27,753</u>	<u>376,239</u>
At 31 March 2020	<u>100,692</u>	<u>282,246</u>	<u>27,975</u>	<u>410,913</u>

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

	<b>2021 £</b>	<b>2020 £</b>
Motor vehicles	<u>105,438</u>	<u>-</u>

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****11. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Raw materials	6,574	9,395

Purchases recognised in cost of sales during the year as an expense were £2,194,467 (2020: £4,903,188)

**12. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,082,893	1,539,123
Amounts owed by group undertakings	1,313,922	640,927
Other debtors	64,313	-
Prepayments and accrued income	64,367	66,467
Amounts recoverable on long term contracts	1,927,748	1,310,627
	<u>4,453,243</u>	<u>3,557,144</u>

**13. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	2,214,766	2,535,196
Amounts owed to group undertakings	-	714,451
Other taxation and social security	272,558	261,789
Obligations under finance lease and hire purchase contracts	48,410	-
Accruals and deferred income	234,062	135,169
	<u>2,769,796</u>	<u>3,646,605</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 2021**

**14. Deferred taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At the beginning of year	47,713	27,396
Charged to statement of income and retained earnings	2,715	20,317
<b>At the end of year</b>	<b>50,428</b>	<b>47,713</b>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	52,328	48,957
Short term timing differences	(1,900)	(1,244)
	<b>50,428</b>	<b>47,713</b>

**15. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

**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. Contingent liabilities**

The company has entered into an unlimited cross guarantee with Danaher & Walsh Group Limited and Danaher & Walsh APS Limited to support its banking facilities. At the year end, the balance was £Nil (2020: £Nil).

**DANAHER & WALSH (CIVIL ENGINEERING) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****18. Capital commitments**

At 31 March 2021 the company had capital commitments as follows:

	2021 £	2020 £
Contracted for but not provided in these financial statements	315,000	-

**19. Commitments under operating leases**

At 31 March 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	53,315	123,485
Later than 1 year and not later than 5 years	11,598	76,623
	<u>64,913</u>	<u>200,108</u>

**20. 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.

**21. 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.