

Registration number 00828200

# George Hurst & Sons Limited

Directors' Report and Abbreviated Accounts  
for the Year Ended 28 February 2010

SATURDAY



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27/11/2010  
COMPANIES HOUSE

Landin Wilcock & Co  
Chartered Accountants & Registered Auditors  
68 Queen Street  
Sheffield  
S1 1WR

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## **George Hurst & Sons Limited**

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**George Hurst & Sons Limited**  
**Company Information**

<b>Directors</b>	N Fanthorpe I Burnell
<b>Secretaries</b>	M A Bradley (resigned 4 September 2009) D Sellars (appointed 4 September 2009)
<b>Registered office</b>	Don Pottery Yard Off Rowms Lane Sinton Mexborough S64 8QA
<b>Bank</b>	Natwest Bank Mexborough Branch Bank Street Mexborough S64 9QE
<b>Auditors</b>	Landin Wilcock & Co Chartered Accountants & Registered Auditors 68 Queen Street Sheffield S1 1WR

## **George Hurst & Sons Limited**

### **Directors' Report for the Year Ended 28 February 2010**

The directors present their report and the audited financial statements for the year ended 28 February 2010

#### **Principal activity**

The principal activity of the company is that of Plumbers, Heating Engineers and Builders

#### **Business review**

##### ***Fair review of the business***

During the year the company continued to undertake all aspects of building and construction work with its in-house facilities for the provision of a complete package of building management services, including mechanical and electrical specialist engineering services together with a complete design and build package

The results for the company show a pre-tax profit of £14,283 (2009 £789,312)

##### ***Development and performance of the business***

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Turnover growth	(23)%	30%	12%	(8)%	
Gross profit margin	5%	9%	4%	2%	10%
Profit before tax	£14,283	£789,312	£250,083	(£170,018)	£735,333

The directors are confident that turnover will be maintained in the next financial year although profitability will depend on the tendered prices of contracts awarded. The company is still looking at diversifying into buying land for the development of housing and industrial units should the right opportunity arise

##### ***Position of the business***

At the end of the year, the net assets totalled £2,144,360

##### ***Principal risks and uncertainties***

The company is an official partner with a local council construction partnership. Contracts with the partnership are undertaken on a "cost plus" basis

Contracts other than those with the company's partner are won on a tender basis. The directors consider that the company is in a strong position to offer competitive tenders to win its fair share of contracts on offer

**George Hurst & Sons Limited**  
**Directors' Report for the Year Ended 28 February 2010**

*continued*

**Financial risk**

***Financial risk management objectives and policies***

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from the directors. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

**Results and dividend**

The results for the company are set out in the financial statements.

An interim ordinary dividend of £5,000 was paid during the year.

**Directors**

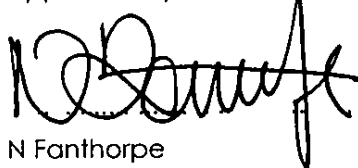
The directors who held office during the year were as follows:

- N Fanthorpe
- I Burnell

**Auditors**

The auditors, Landin Wilcock & Co, are deemed to be re-appointed in accordance with section 487 (2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by



N Fanthorpe  
Director

Date 24.11.10

**Independent Auditors' Report to  
George Hurst & Sons Limited  
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts of George Hurst & Sons Limited, set out on pages 5 to 17, together with the financial statements of the company for the year ended 28 February 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with the regulations made under that section and to report our opinion to you

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with the regulations made under that section



Glen Marshall  
**Senior Statutory Auditor**

for and on behalf of  
Landin Wilcock & Co, Statutory Auditor

Date 26/11/2010

68 Queen Street  
Sheffield  
S1 1WR

**George Hurst & Sons Limited**  
**Abbreviated Profit and Loss Account for the Year Ended 28 February 2010**

	Note	2010 £	2009 £
Turnover		<u>10,019,298</u>	<u>12,928,738</u>
<b>Gross profit</b>		498,468	1,181,118
Administrative expenses		(487,507)	(452,828)
<b>Operating profit</b>	3	<u>10,961</u>	<u>728,290</u>
Other interest receivable and similar income		3,322	61,022
<b>Profit on ordinary activities before taxation</b>		<u>14,283</u>	<u>789,312</u>
Tax on profit on ordinary activities	6	8,775	(211,068)
<b>Profit for the financial year</b>	14	<u>23,058</u>	<u>578,244</u>
<b>Profit and loss reserve brought forward</b>		1,969,318	1,416,074
Dividends	7	(5,000)	(25,000)
<b>Profit and loss reserve carried forward</b>		<u><u>1,987,376</u></u>	<u><u>1,969,318</u></u>

Turnover and operating profit derive wholly from continuing operations

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

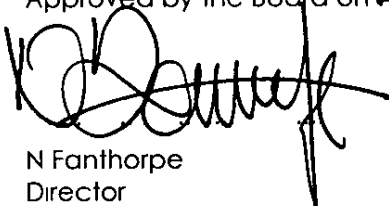
The notes on pages 8 to 17 form an integral part of these financial statements

**George Hurst & Sons Limited**  
**Abbreviated Balance Sheet as at 28 February 2010**

		2010		2009	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		425,114		444,237
<b>Current assets</b>					
Stocks	9	226,724		330,044	
Debtors	10	3,226,464		2,293,614	
Cash at bank and in hand		129,423		1,141,962	
		<u>3,582,611</u>		<u>3,765,620</u>	
<b>Creditors Amounts falling due within one year</b>	11	<u>(1,848,877)</u>		<u>(2,067,141)</u>	
<b>Net current assets</b>			<u>1,733,734</u>		<u>1,698,479</u>
<b>Total assets less current liabilities</b>			2,158,848		2,142,716
<b>Provisions for liabilities</b>	12		<u>(14,488)</u>		<u>(16,414)</u>
<b>Net assets</b>			<u>2,144,360</u>		<u>2,126,302</u>
<b>Capital and reserves</b>					
Called up share capital	13		10,000		10,000
Revaluation reserve	14		146,984		146,984
Profit and loss reserve	14		<u>1,987,376</u>		<u>1,969,318</u>
<b>Shareholders' funds</b>	15		<u>2,144,360</u>		<u>2,126,302</u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies

Approved by the Board on 24.11.10 and signed on its behalf by



N Fanthorpe  
Director

Registration number: 00828200

The notes on pages 8 to 17 form an integral part of these financial statements



**George Hurst & Sons Limited**  
**Cash Flow Statement for the Year Ended 28 February 2010**

		2010	2009
	Note	£	£
Net cash flow from operating activities	18	(780,890)	(147,074)
Returns on investment and servicing of finance	19	3,322	61,022
Taxation	19	(194,775)	(50,198)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(35,195)	(129,735)
Sale of tangible fixed assets		(1)	4,950
		<u>(35,196)</u>	<u>(124,785)</u>
Equity dividends paid		(5,000)	(25,000)
<b>Decrease in cash</b>		<u>(1,012,539)</u>	<u>(286,035)</u>

**Reconciliation of net cash flow to movement in net funds**

		2010	2009
	Note	£	£
Decrease in cash in the year	20	<u>(1,012,539)</u>	<u>(286,035)</u>
Change in net funds resulting from cash flows		<u>(1,012,539)</u>	<u>(286,035)</u>
Net funds at the start of the year	20	<u>1,141,962</u>	<u>1,427,997</u>
<b>Net funds at the end of the year</b>	20	<u><u>129,423</u></u>	<u><u>1,141,962</u></u>

## **George Hurst & Sons Limited**

### **Notes to the abbreviated accounts for the Year Ended 28 February 2010**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Freehold property	2% straight line
Plant and machinery	10% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33% straight line

##### **Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **Deferred taxation**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

##### **Pensions**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

##### **Financial instruments**

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

**George Hurst & Sons Limited**  
**Notes to the abbreviated accounts for the Year Ended 28 February 2010**

*continued*

**2 Other operating income**

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
Rent receivable	5,188	3,726
Grants and subsidies receivable	40,348	18,070
	<u>45,536</u>	<u>21,796</u>

**3 Operating profit**

Operating profit is stated after charging

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
The audit of the company's annual accounts	6,600	6,600
Loss on sale of fixed assets	3,657	8,983
Depreciation of owned tangible fixed assets	15,753	16,697
Depreciation of leased tangible fixed assets	<u>34,909</u>	<u>22,762</u>

**4 Particulars of employees**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	<b>2010</b> <b>No</b>	<b>2009</b> <b>No</b>
Production	64	55
Management	13	11
	<u>77</u>	<u>66</u>

The aggregate payroll costs of these persons were as follows

	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
Wages and salaries	2,230,842	2,059,338
Social security costs	206,501	187,756
Other pension costs	27,597	27,285
	<u>2,464,940</u>	<u>2,274,379</u>

**George Hurst & Sons Limited**  
**Notes to the abbreviated accounts for the Year Ended 28 February 2010**

*continued*

**5 Directors' remuneration**

The directors' remuneration for the year are as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Directors' remuneration (including benefits in kind)	<u>231,969</u>	<u>199,204</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £120,000

The number of directors who were accruing benefits under company pension schemes was nil (2009 nil)

## George Hurst & Sons Limited

### Notes to the abbreviated accounts for the Year Ended 28 February 2010

*continued*

#### 6 Taxation

##### Analysis of current period tax (credit)/charge

	2010 £	2009 £
<b>Current tax</b>		
Corporation tax charge	755	202,379
(Over)/under provision in previous year	<u>(7,604)</u>	<u>-</u>
UK Corporation tax	<u>(6,849)</u>	<u>202,379</u>
 <b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(1,926)</u>	<u>8,689</u>
 <b>Total tax on profit on ordinary activities</b>	<u><u>(8,775)</u></u>	<u><u>211,068</u></u>

##### Factors affecting current period tax (credit)/charge

The tax assessed on the profit on ordinary activities for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 21.00% (2009 - 28.17%)

The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>14,283</u>	<u>789,312</u>
Standard rate corporation tax charge	2,999	222,349
Accelerated capital allowances	(1,115)	(6,652)
Group relief	(1,112)	-
Marginal relief	-	(13,318)
(Over)/under provision re prior year	(7,604)	-
Other short term timing differences	<u>(17)</u>	<u>-</u>
Total current tax for the year	<u><u>(6,849)</u></u>	<u><u>202,379</u></u>

#### 7 Dividends

	2010 £	2009 £
Equity dividends	<u>5,000</u>	<u>25,000</u>

## George Hurst & Sons Limited

### Notes to the abbreviated accounts for the Year Ended 28 February 2010

*continued*

#### 8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or Valuation</b>				
As at 1 March 2009	267,938	129,751	181,496	579,185
Additions	-	9,545	25,650	35,195
Disposals	-	(23,059)	(17,341)	(40,400)
As at 28 February 2010	<u>267,938</u>	<u>116,237</u>	<u>189,805</u>	<u>573,980</u>
<b>Depreciation</b>				
As at 1 March 2009	5,358	74,309	55,281	134,948
Eliminated on disposals	-	(23,059)	(13,685)	(36,744)
Charge for the year	5,358	10,395	34,909	50,662
As at 28 February 2010	<u>10,716</u>	<u>61,645</u>	<u>76,505</u>	<u>148,866</u>
<b>Net book value</b>				
As at 28 February 2010	<u>257,222</u>	<u>54,592</u>	<u>113,300</u>	<u>425,114</u>
As at 28 February 2009	<u>262,580</u>	<u>55,442</u>	<u>126,215</u>	<u>444,237</u>

#### Revaluation of fixed assets

Freehold land and buildings include investment properties at a valuation of £117,938 (2009 £117,938). In accordance with standard accounting practise, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.

The investment properties have been revalued by the directors of the company at 28/02/08. The directors still consider this to be a fair value at 28/02/10. The historic cost of these properties was £57,105.

Compliance with Statement of Standard Accounting Practise 19, on the treatment of investment properties necessitates a departure from Companies Act 2006. In order to show a true and fair view, depreciation is not charged on investment properties held for their future value. The effect of not depreciating these properties is to increase profits for the year by £2,359.

Other freehold land and buildings are included at a valuation of £150,000 (historical cost £74,721). The valuation was performed by Merryweathers at 28/02/08, the directors still consider this to be a fair value at 28/02/10.

## George Hurst & Sons Limited

### Notes to the abbreviated accounts for the Year Ended 28 February 2010

*continued*

#### 9 Stocks and work in progress

	2010 £	2009 £
Stocks	1,500	1,500
Work in progress	225,224	328,544
	<u>226,724</u>	<u>330,044</u>

#### 10 Debtors

	2010 £	2009 £
Trade debtors	1,664,745	1,003,692
Amounts owed by group undertakings	1,499,734	1,229,576
Other debtors	41,126	39,994
Prepayments and accrued income	20,859	20,352
	<u>3,226,464</u>	<u>2,293,614</u>

#### 11 Creditors: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	1,667,290	1,647,296
Corporation tax	755	202,379
Social security and other taxes	132,712	199,176
Other creditors	30,579	4,643
Accruals and deferred income	17,541	13,647
	<u>1,848,877</u>	<u>2,067,141</u>

**George Hurst & Sons Limited**  
**Notes to the abbreviated accounts for the Year Ended 28 February 2010**

*continued*

**12 Provisions for liabilities**

	<b>Deferred tax provision £</b>
As at 1 March 2009	16,414
Deferred tax provision charged to the profit and loss account	<u>(1,926)</u>
As at 28 February 2010	<u>14,488</u>

**Deferred tax**

Deferred tax is provided at 21.00% (2009 - 30.00%)

	<b>2010 £</b>	<b>2009 £</b>
Deferred tax	<u>14,488</u>	<u>16,414</u>

**13 Share capital**

	<b>2010 £</b>	<b>2009 £</b>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**14 Reserves**

	<b>Revaluation reserve £</b>	<b>Profit and loss reserve £</b>	<b>Total £</b>
Balance at 1 March 2009	146,984	1,969,318	2,116,302
Transfer from profit and loss account for the year	-	23,058	23,058
Dividends	-	<u>(5,000)</u>	<u>(5,000)</u>
Balance at 28 February 2010	<u>146,984</u>	<u>1,987,376</u>	<u>2,134,360</u>



**George Hurst & Sons Limited**  
**Notes to the abbreviated accounts for the Year Ended 28 February 2010**

*continued*

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit attributable to members of the company	23,058	578,244
Dividends	(5,000)	(25,000)
	<u>18,058</u>	<u>553,244</u>
Opening shareholders' funds	<u>2,126,302</u>	<u>1,573,058</u>
Closing shareholders' funds	<u><u>2,144,360</u></u>	<u><u>2,126,302</u></u>

**16 Contingent liabilities**

A contingent liability of £401,738 (2009 £644,003) existed at the balance sheet date in respect of performance bonds. However, the directors feel that no liability will arise from them.

The company has an inter-company composite guarantee to provide securities over the bank loan of George Hurst and Sons (Holdings) Limited. As at 28/02/10 the amount due in relation to this loan was £194,442 (2009 £166,668).

**17 Pension scheme**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £27,597 (2009 - £27,285).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# George Hurst & Sons Limited

## Notes to the abbreviated accounts for the Year Ended 28 February 2010

*continued*

### 18 Reconciliation of operating profit to operating cash flows

	2010 £	2009 £
Operating profit	10,961	728,290
Depreciation, amortisation and impairment charges	50,662	39,459
Loss on disposal of fixed assets	3,657	8,983
Decrease/(increase) in stocks	103,320	(295,244)
Increase in debtors	(932,850)	(602,844)
Decrease in creditors	(16,640)	(25,718)
<b>Net cash outflow from operating activities</b>	<b>(780,890)</b>	<b>(147,074)</b>

### 19 Analysis of cash flows

	2010 £	2009 £
<b>Returns on investment and servicing of finance</b>		
Interest received	<u>3,322</u>	<u>61,022</u>
<b>Taxation</b>		
Taxation paid	(203,550)	(50,198)
Taxation refund	<u>8,775</u>	<u>-</u>
	<b>(194,775)</b>	<b>(50,198)</b>

### 20 Analysis of net funds

	At start of period £	Cash flow £	At end of period £
Cash at bank and in hand	1,141,962	(1,012,539)	129,423
Bank overdraft	-	-	-
Cash and bank net funds	<u>1,141,962</u>	<u>(1,012,539)</u>	<u>129,423</u>
<b>Net funds</b>	<b><u>1,141,962</u></b>	<b><u>(1,012,539)</u></b>	<b><u>129,423</u></b>

**George Hurst & Sons Limited**  
**Notes to the abbreviated accounts for the Year Ended 28 February 2010**

*continued*

**21 Related parties**

**Controlling entity**

The company is a wholly owned subsidiary of George Hurst & Sons (Holdings) Limited, which is controlled by its director, N Fanthorpe, by virtue of his shareholdings

**Related party transactions**

At the balance sheet date there was a debtor balance of £1,499,734 (2009 £1,229,576) due from the parent company in relation to the purchase of the company's share capital during the prior year. Although this loan is due within one year repayment is dependant upon income being received in the parent company by way of dividends from George Hurst & Sons Limited

During the year dividends of £5,000 (2009 £25,000) were paid to the parent company George Hurst (Holdings) Limited