

L HEALY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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for the year ended 31 December 2019

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L HEALY LIMITED

COMPANY INFORMATION
for the year ended 31 December 2019

DIRECTORS:

L M Healy
Mrs P Healy
G Tongue
R Healy
P Healy
L Healy
W Healy

SECRETARY:

L M Healy

REGISTERED OFFICE:

8 Merse Road
Redditch
West Midlands
B98 9HL

REGISTERED NUMBER:

01719445 (England and Wales)

AUDITORS:

Equus Miller Limited
Chartered Certified Accountants
Statutory Auditors
Brook House
47 High Street
Henley in Arden
Warwickshire
B95 5AA

BALANCE SHEET
31 December 2019

	Notes	31/12/19 £	£	31/12/18 £	£
FIXED ASSETS					
Tangible assets	5		574,909		431,035
CURRENT ASSETS					
Stocks		48,337		49,843	
Debtors	6	3,626,023		4,066,006	
Investments	7	206		206	
Cash at bank and in hand		<u>1,897,725</u>		<u>2,228,484</u>	
		5,572,291		6,344,539	
CREDITORS					
Amounts falling due within one year	8	<u>4,300,728</u>		<u>5,005,250</u>	
NET CURRENT ASSETS			<u>1,271,563</u>		<u>1,339,289</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,846,472		1,770,324
CREDITORS					
Amounts falling due after more than one year	9		(174,445)		(91,554)
PROVISIONS FOR LIABILITIES			<u>(25,056)</u>		<u>(39,222)</u>
NET ASSETS			<u>1,646,971</u>		<u>1,639,548</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Retained earnings			<u>1,646,871</u>		<u>1,639,448</u>
SHAREHOLDERS' FUNDS			<u>1,646,971</u>		<u>1,639,548</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2020 and were signed on its behalf by:

R Healy - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. STATUTORY INFORMATION

L Healy Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to quantity surveyors reports.

When the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable.

When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Interest and dividends receivable

Interest income is recognised using the effective method and dividend income is recognised as the company's right to receive payment is established.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and are depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Retentions

It is the company's policy to absorb the cost of remedial work arising on contracts in the year in which they are incurred.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction cost. Subsequently, they are measured at fair value through the profit and loss if the shares are publicly traded or their value can otherwise be measured reliably. Other investments are measured at cost less impairment.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 56 (2018 - 57) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2019	243,139	25,018	809,765	1,077,922
Additions	66,010	3,171	292,852	362,033
Disposals	(14,250)	-	(152,360)	(166,610)
At 31 December 2019	<u>294,899</u>	<u>28,189</u>	<u>950,257</u>	<u>1,273,345</u>
DEPRECIATION				
At 1 January 2019	155,013	16,046	475,828	646,887
Charge for year	34,972	1,622	153,805	190,399
Eliminated on disposal	-	-	(138,850)	(138,850)
At 31 December 2019	<u>189,985</u>	<u>17,668</u>	<u>490,783</u>	<u>698,436</u>
NET BOOK VALUE				
At 31 December 2019	<u>104,914</u>	<u>10,521</u>	<u>459,474</u>	<u>574,909</u>
At 31 December 2018	<u>88,126</u>	<u>8,972</u>	<u>333,937</u>	<u>431,035</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2019	726,285
Transfer to ownership	(145,629)
At 31 December 2019	<u>580,656</u>
DEPRECIATION	
At 1 January 2019	443,549
Charge for year	118,370
Transfer to ownership	(336,375)
At 31 December 2019	<u>225,544</u>
NET BOOK VALUE	
At 31 December 2019	<u>355,112</u>
At 31 December 2018	<u>282,736</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/19 £	31/12/18 £
Trade debtors	3,097,998	3,261,120
Other debtors	2,433	3,333
Directors' loan accounts	15,221	-
VAT	348,825	702,537
Prepayments and accrued income	161,546	99,016
	<u>3,626,023</u>	<u>4,066,006</u>

L HEALY LIMITED (REGISTERED NUMBER: 01719445)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

7. CURRENT ASSET INVESTMENTS

	31/12/19	31/12/18
	£	£
Listed investments	<u>206</u>	<u>206</u>
Market value of listed investments at 31 December 2019 - £ 960 (2018 - £ 599).		

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/19	31/12/18
	£	£
Hire purchase contracts	129,185	111,315
Trade creditors	2,275,488	2,088,206
Amounts owed to group undertakings	912,740	1,796,405
Corporation tax payable	65,073	252,828
Social security & other taxes	87,867	69,546
Other creditors	15,480	-
Wages control	-	1,730
Directors' loan accounts	556,145	481,791
Accrued expenses	258,750	203,429
	<u>4,300,728</u>	<u>5,005,250</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/19	31/12/18
	£	£
Hire purchase contracts	<u>174,445</u>	<u>91,554</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	31/12/19	31/12/18
	£	£
Hire purchase contracts	<u>303,630</u>	<u>202,869</u>

Security is offered by way of a debenture over the assets of the group.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/19	31/12/18
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Deborah Jane Horsley FCCA (Senior Statutory Auditor)
for and on behalf of Equus Miller Limited

13. OTHER FINANCIAL COMMITMENTS

There is an unlimited inter-company guarantee in place between L Healy Limited, Waylaid Limited, L Healy Holdings Limited and Healy's Civil Engineering Ltd.

The total financial commitments, guarantees and contingencies undertaken on behalf of Waylaid Limited which are subject to the inter-company guarantee and not included in the balance sheet of L Healy Limited amount to £2,158,501 (2018 £1,113,681).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2019 and 31 December 2018:

	31/12/19	31/12/18
	£	£
L M Healy and Mrs P Healy		
Balance outstanding at start of year	(11,401)	(20,492)
Amounts advanced	249,372	213,863
Amounts repaid	(222,750)	(204,772)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>15,221</u>	<u>(11,401)</u>
G Tongue		
Balance outstanding at start of year	(32,195)	(1,862)
Amounts advanced	213,507	193,379
Amounts repaid	(253,000)	(223,712)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(71,688)</u>	<u>(32,195)</u>

Where Directors have received advances during the year, these are repayable on demand and have been subjected to HMRC's official rate of interest in use at that time.

15. POST BALANCE SHEET EVENTS

The company has been materially and adversely affected by the effects of the Covid 19 pandemic during the financial year ended 31 December 2020. Demand for the company's services has reduced due to lockdown restrictions and operating results in 2020 have been negatively impacted.

The company has taken measures to compensate for the adverse cash flow effects and has received government support through the furlough scheme throughout the summer of 2020. In addition the company has obtained finance in the form of a CBILs loan amounting to £2.5 million which is repayable over six years with effect from December 2020.

The company continues to monitor its performance using six year cash flow models which forecast that the company is expected to return to its former levels of profitability within the foreseeable future. Due to the ongoing nature of the Covid 19 pandemic, there is some uncertainty as to the timing of the company's full recovery.

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is Healys Civil Engineering Limited. The registered office and place of business of Healy's Civil Engineering Limited is 8 Merse Road, Redditch, West Midlands, B98 9HL.

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