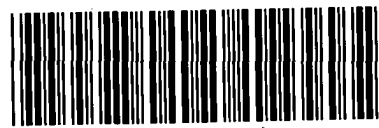


Company Registration No. 06279909 (England and Wales)

**JOHN DOHERTY HOLDINGS LIMITED**  
**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

TUESDAY



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COMPANIES HOUSE

# JOHN DOHERTY HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr John Doherty
<b>Company number</b>	06279909
<b>Registered office</b>	International House Zone 4a, Bayton Road Exhall Coventry CV7 9EJ
<b>Auditor</b>	Thomas & Young Limited Carleton House 266-268 Stratford Road Shirley Solihull B90 3AD
<b>Bankers</b>	HSBC Church Green West Redditch B97 4EA
<b>Solicitors</b>	Kundert Solicitors LLP 3 Copthill House Station Square Coventry CV1 2FD

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# JOHN DOHERTY HOLDINGS LIMITED

## CONTENTS

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	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Company statement of cash flows	
Notes to the financial statements	13 - 30

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# JOHN DOHERTY HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JULY 2018**

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The director presents the strategic report for the year ended 31 July 2018.

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

The group is principally engaged in providing specialist trenchless solutions to the construction/civil engineering sector, installing a variety of tunnelling and shaft sinking techniques including pipe jacking, micro tunnelling, auger boring, traditional timber headings, shaft sinking for pumping stations and other traditional methods for water, sewer, oil, gas, chemical, rising mains, gravity mains, foul sewer and utilities under motorways, roads, runways, rail, canals, waterways and buildings.

The group is growing as a business. We are using the clients buying power to purchase materials to achieve optimum project values and customer relationships.

The group has improved overall operating profit by 34%. In the year the company had continued to invest in its most valuable asset, people, to accommodate the increase and ensure seamless planning to project completion.

### **Development and performance**

The group has maintained an exceptional safety record in the year and has won a number of awards for contractor HS&E excellence.

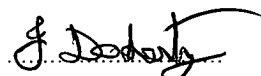
The group are working to a UKAS approved integrated management system which covers ISO 9001:2015, 14001, ISO 45001 and is making continual improvements throughout the business such as ISO 27001 information security management certification. We remain committed to the pursuit of environmental targets in the reduction of waste on our sites, offices and energy saving where possible to reduce our carbon footprint.

The group continues to work to the "collaborate working standard ISO 44001", with our partners, which is now in the fourth year of accreditation.

This standard is changing the behaviours of the industry by bringing together all parties, to work together to achieve optimum project values, by early project involvement, collaborative planning, innovative thinking and being efficient. It strives to optimise the benefits of joint working, with specific phases, looking to refine processes, reduce duplication and address the creation of additional value.

The prospects for the coming year are looking encouraging for the business with the AMP 6 now well into the fourth year.

On behalf of the board



Mr John Doherty.

Director

6-12-18

# JOHN DOHERTY HOLDINGS LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 31 JULY 2018**

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The director presents his annual report and financial statements for the year ended 31 July 2018.

### **Principal activities**

The principal activity of the company continued to be that of a holding company.

The principal activity of its subsidiary undertakings continued to be that of civil engineering and underground tunnelling.

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr John Doherty

### **Results and dividends**

The results for the year are set out on page 7:

Ordinary dividends were paid amounting to £135,000. The director does not recommend payment of a further dividend.

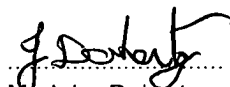
### **Auditor**

The auditor, Thomas and Young Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr John Doherty

**Director**

Date: 15-12-18

# **JOHN DOHERTY HOLDINGS LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JULY 2018***

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The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# JOHN DOHERTY HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF JOHN DOHERTY HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of John Doherty Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 FRS 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 group's and the parent company's affairs as at 31 July 2018 and of the group's 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 UK, including the FRC'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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

#### Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

# **JOHN DOHERTY HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF JOHN DOHERTY HOLDINGS LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 director**

As explained more fully in the director's responsibilities statement, the director is 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# JOHN DOHERTY HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF JOHN DOHERTY HOLDINGS LIMITED

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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.



James Carty ACA FCCA (Senior Statutory Auditor)  
for and on behalf of Thomas & Young Limited

..... 6 December 2018

Chartered Accountants  
Statutory Auditor

Carleton House  
266-268 Stratford Road  
Shirley  
Solihull  
B90 3AD

# JOHN DOHERTY HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	10,929,367	10,712,345
Cost of sales		(8,653,922)	(8,681,921)
<b>Gross profit</b>		2,275,445	2,030,424
Administrative expenses		(1,474,461)	(1,431,664)
<b>Operating profit</b>	<b>4</b>	800,984	598,760
Interest payable and similar expenses	<b>7</b>	(34,036)	(31,226)
<b>Profit before taxation</b>		766,948	567,534
Tax on profit	<b>8</b>	147,009	107,777
<b>Profit for the financial year</b>		913,957	675,311
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets		131,914	-
Tax relating to other comprehensive income		(25,064)	-
<b>Total comprehensive income for the year</b>		1,020,807	675,311

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

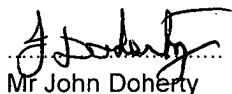
# JOHN DOHERTY HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 JULY 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10		2,978,647		2,317,693
<b>Current assets</b>					
Stocks	14	211,601		101,490	
Debtors	15	3,228,652		2,723,731	
Cash at bank and in hand		470,815		442,271	
		3,911,068		3,267,492	
<b>Creditors: amounts falling due within one year</b>	16	(2,559,238)		(2,233,807)	
<b>Net current assets</b>			1,351,830		1,033,685
<b>Total assets less current liabilities</b>			4,330,477		3,351,378
<b>Creditors: amounts falling due after more than one year</b>	17		(464,650)		(420,018)
<b>Provisions for liabilities</b>	20		(249,834)		(201,174)
<b>Net assets</b>			3,615,993		2,730,186
<b>Capital and reserves</b>					
Called up share capital	22		100		100
Revaluation reserve			106,850		-
Profit and loss reserves			3,509,043		2,730,086
<b>Total equity</b>			3,615,993		2,730,186

The financial statements were approved and signed by the director and authorised for issue on 6-12-18



Mr John Doherty  
Director

# JOHN DOHERTY HOLDINGS LIMITED

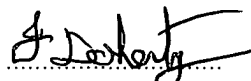
## COMPANY BALANCE SHEET

AS AT 31 JULY 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10	1,205,650		1,044,432	
Investments	11	2,100		2,100	
		<u>1,207,750</u>		<u>1,046,532</u>	
<b>Current assets</b>					
Debtors	15	31,200		31,200	
Cash at bank and in hand		43,409		19,647	
		<u>74,609</u>		<u>50,847</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(417,491)</u>		<u>(410,042)</u>	
<b>Net current liabilities</b>			<u>(342,882)</u>		<u>(359,195)</u>
<b>Total assets less current liabilities</b>			864,868		687,337
<b>Creditors: amounts falling due after more than one year</b>	17		(273,072)		(300,058)
<b>Provisions for liabilities</b>	20		<u>(25,064)</u>		-
<b>Net assets</b>			<u>566,732</u>		<u>387,279</u>
<b>Capital and reserves</b>					
Called up share capital	22		100		100
Revaluation reserve			106,850		-
Profit and loss reserves			459,782		387,179
<b>Total equity</b>			<u>566,732</u>		<u>387,279</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £207,603 (2017 - £330,216 profit).

The financial statements were approved and signed by the director and authorised for issue on 6-12-18



Mr John Doherty  
Director

Company Registration No. 06279909

# JOHN DOHERTY HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2016</b>		100	-	2,153,106	2,153,206
<b>Year ended 31 July 2017:</b>					
Profit and total comprehensive income for the year		-	-	675,311	675,311
Dividends	9	-	-	(98,331)	(98,331)
<b>Balance at 31 July 2017</b>		100	-	2,730,086	2,730,186
<b>Year ended 31 July 2018:</b>					
Profit for the year		-	-	913,957	913,957
Other comprehensive income:					
Revaluation of tangible fixed assets		-	131,914	-	131,914
Tax relating to other comprehensive income		-	(25,064)	-	(25,064)
Total comprehensive income for the year		-	106,850	913,957	1,020,807
Dividends	9	-	-	(135,000)	(135,000)
<b>Balance at 31 July 2018</b>		100	106,850	3,509,043	3,615,993

# JOHN DOHERTY HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2016</b>		100	-	155,294	155,394
<b>Year ended 31 July 2017:</b>					
Profit and total comprehensive income for the year		-	-	330,216	330,216
Dividends	9	-	-	(98,331)	(98,331)
<b>Balance at 31 July 2017</b>		100	-	387,179	387,279
<b>Year ended 31 July 2018:</b>					
Profit for the year		-	-	207,603	207,603
Other comprehensive income:					
Revaluation of tangible fixed assets		-	131,914	-	131,914
Tax relating to other comprehensive income		-	(25,064)	-	(25,064)
Total comprehensive income for the year		-	106,850	207,603	314,453
Dividends	9	-	-	(135,000)	(135,000)
<b>Balance at 31 July 2018</b>		100	106,850	459,782	566,732

# JOHN DOHERTY HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		6,473		634,271
Interest paid			(34,036)		(31,226)
Income taxes refunded			205,585		126,696
<b>Net cash inflow from operating activities</b>			178,022		729,741
<b>Investing activities</b>					
Purchase of tangible fixed assets		(681,420)		(639,032)	
Proceeds on disposal of tangible fixed assets		-		16,175	
<b>Net cash used in investing activities</b>			(681,420)		(622,857)
<b>Financing activities</b>					
Repayment of borrowings		(107,797)		143,383	
Repayment of bank loans		(26,986)		(26,987)	
Payment of finance leases obligations		221,073		-	
Dividends paid to equity shareholders		(135,000)		(98,331)	
<b>Net cash (used in)/generated from financing activities</b>			(48,710)		18,065
<b>Net (decrease)/increase in cash and cash equivalents</b>			(552,108)		124,949
Cash and cash equivalents at beginning of year			442,271		317,322
<b>Cash and cash equivalents at end of year</b>			(109,837)		442,271
<b>Relating to:</b>					
Cash at bank and in hand			470,815		442,271
Bank overdrafts included in creditors payable within one year			(580,652)		-

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

#### Company information

John Doherty Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is International House, Zone 4a, Bayton Road, Exhall, Coventry, CV7 9EJ.

The group consists of John Doherty Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of John Doherty Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.



# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	No depreciation
Plant and machinery	10% reducing balance
Fixtures, fittings & equipment	10% reducing balance
Computer equipment	15% and 33.3% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2018

---

#### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

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### 1 Accounting policies

(Continued)

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2018

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2018

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

##### **1.11 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

##### **1.12 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

##### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

### 1 Accounting policies

(Continued)

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Sales	10,158,273	10,318,573
Management charges	771,094	393,772
	<u>10,929,367</u>	<u>10,712,345</u>
	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>10,929,367</u>	<u>10,712,345</u>

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	123,309	111,002
Depreciation of tangible fixed assets held under finance leases	1,958	-
Loss/(profit) on disposal of tangible fixed assets	27,113	(9,688)
Cost of stocks recognised as an expense	4,499,050	4,765,808
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4,800	5,540
Audit of the financial statements of the company's subsidiaries	6,900	15,400
	<u>          </u>	<u>          </u>
	11,700	20,940
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Direct	14	17	-	-
Indirect	13	13	-	-
Directors	2	2	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	29	32	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	1,466,398	1,392,026	-	-
Social security costs	135,517	138,260	-	-
Pension costs	121,412	151,603	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	1,723,327	1,681,889	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 7 Interest payable and similar expenses

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	9,806	4,596
Other interest on financial liabilities	24,230	26,630
	<u>34,036</u>	<u>31,226</u>

### 8 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	115,475	80,495
Adjustments in respect of prior periods	(286,080)	(218,788)
Total current tax	<u>(170,605)</u>	<u>(138,293)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>23,596</u>	<u>30,516</u>
Total tax credit	<u>(147,009)</u>	<u>(107,777)</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	<u>766,948</u>	<u>567,534</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	145,720	113,507
Tax effect of expenses that are not deductible in determining taxable profit	6,318	289
Effect of change in corporation tax rate	-	(1,368)
Permanent capital allowances in excess of depreciation	(36,563)	(31,933)
Research and development tax credit	(286,080)	(218,788)
Deferred tax adjustments in respect of prior years	<u>23,596</u>	<u>30,516</u>
Taxation credit	<u>(147,009)</u>	<u>(107,777)</u>



# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2018**

### 8 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2018 £	2017 £
Deferred tax arising on:		
Revaluation of property	25,064	-

### 9 Dividends

	2018 £	2017 £
Interim paid	135,000	98,331

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 10 Tangible fixed assets

Group	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 August 2017	1,044,432	2,874,932	46,536	66,539	234,591	4,267,030
Additions	29,304	615,036	-	-	37,080	681,420
Disposals	-	(44,075)	-	-	(22,685)	(66,760)
Revaluation	131,914	-	-	-	-	131,914
At 31 July 2018	1,205,650	3,445,893	46,536	66,539	248,986	5,013,604
<b>Depreciation and impairment</b>						
At 1 August 2017	-	1,644,341	30,949	50,756	223,291	1,949,337
Depreciation charged in the year	-	109,984	1,559	5,208	8,516	125,267
Eliminated in respect of disposals	-	(18,917)	-	-	(20,730)	(39,647)
At 31 July 2018	-	1,735,408	32,508	55,964	211,077	2,034,957
<b>Carrying amount</b>						
At 31 July 2018	1,205,650	1,710,485	14,028	10,575	37,909	2,978,647
At 31 July 2017	1,044,432	1,230,591	15,587	15,783	11,300	2,317,693

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

Company	Land and buildings
	£
<b>Cost or valuation</b>	
At 1 August 2017	1,044,432
Additions	29,304
Revaluation	131,914
At 31 July 2018	1,205,650
<b>Depreciation and impairment</b>	
At 1 August 2017 and 31 July 2018	-
<b>Carrying amount</b>	
At 31 July 2018	1,205,650
At 31 July 2017	1,044,432

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2018 £	2017 £	Company 2018 £	2017 £
Plant and machinery	233,042	-	-	-
Depreciation charge for the year in respect of leased assets	1,958	-	-	-

Land with a carrying amount of £450,000 was revalued at 30 October 2018 by Bruton Knowles, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Cost	318,085	289,032	318,085	289,032
Accumulated depreciation	-	-	-	-
Carrying value	318,085	289,032	318,085	289,032

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 11 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	12	-	-	2,100	2,100

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2017 and 31 July 2018	2,100
<b>Carrying amount</b>	
At 31 July 2018	2,100
At 31 July 2017	2,100

### 12 Subsidiaries

Details of the company's subsidiaries at 31 July 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Active Tunnelling Construction Limited	International House, Zone 4a, engineering industry Bayton Road, Exhall, Coventry, CV7 9EJ	Provision of labour to the civil engineering industry	Ordinary	100.00
Active Tunnelling Limited	As above	Civil engineering and underground tunnelling	Ordinary	100.00
Connect Pipeline Limited	As above	Dormant	Ordinary	100.00

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Active Tunnelling Construction Limited	20,242	58,996
Active Tunnelling Limited	821,112	2,991,365
Connect Pipeline Limited	-	1,000

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 13 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	846,811	876,584	31,200	31,200
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	2,763,182	2,329,596	676,435	703,747

### 14 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	211,601	101,490	-	-

### 15 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Amounts falling due within one year:</b>				
Trade debtors	685,544	572,895	-	-
Gross amounts owed by contract customers	2,133,514	1,726,556	-	-
Amounts owed by group undertakings	(1,000)	(1,000)	-	-
Other debtors	276,014	304,689	31,200	31,200
Prepayments and accrued income	134,580	120,591	-	-
	3,228,652	2,723,731	31,200	31,200

### 16 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	18	623,085	42,433	42,433	42,433
Obligations under finance leases	19	73,691	-	-	-
Other borrowings	18	168,249	200,282	92,485	124,518
Trade creditors		1,023,642	772,270	379	68
Amounts owed to group undertakings		(1,000)	(1,000)	259,857	229,270
Corporation tax payable		115,475	80,495	13,440	4,875
Other taxation and social security		145,231	243,734	688	1,478
Other creditors		82,528	585,202	2,000	2,000
Accruals and deferred income		328,337	310,391	6,209	5,400
		2,559,238	2,233,807	417,491	410,042

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	18	273,072	300,058	273,072	300,058
Obligations under finance leases	19	147,382	-	-	-
Other borrowings	18	44,196	119,960	-	-
		<u>464,650</u>	<u>420,018</u>	<u>273,072</u>	<u>300,058</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>98,311</u>	<u>129,952</u>	<u>98,311</u>	<u>129,952</u>
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### 18 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	315,505	342,491	315,505	342,491
Bank overdrafts	580,652	-	-	-
Other loans	212,445	320,242	92,485	124,518
	<u>1,108,602</u>	<u>662,733</u>	<u>407,990</u>	<u>467,009</u>
Payable within one year	791,334	242,715	134,918	166,951
Payable after one year	<u>317,268</u>	<u>420,018</u>	<u>273,072</u>	<u>300,058</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>98,311</u>	<u>129,952</u>	<u>98,311</u>	<u>129,952</u>
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The bank loans and overdrafts are secured by a fixed charge over the company's assets.

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

### 19 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	73,691	-	-	-
In two to five years	147,382	-	-	-
	<u>221,073</u>	<u>-</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	224,770	201,174
Revaluations	25,064	-
	<u>249,834</u>	<u>201,174</u>

Company	Liabilities 2018 £	Liabilities 2017 £
Revaluations	25,064	-
	<u>25,064</u>	<u>-</u>

Movements in the year:	Group 2018 £	Company 2018 £
Liability at 1 August 2017	201,174	-
Charge to other comprehensive income	23,596	25,064
Liability at 31 July 2018	<u>224,770</u>	<u>25,064</u>

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

### 21 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	121,412	151,603

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 22 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

### 23 Related party transactions

#### Transactions with related parties

During the year the group was charged costs of £3,068,202 (2017 : £2,543,161) from Trenchless Plant Limited, a company under common control. In addition, the group recharged costs to Trenchless Plant Limited amounting to £619,448 (2017 : £395,079). At the balance sheet date there was an amount of £150,134 (2017 : £6,348 was owed to Trenchless Plant Limited) owed by Trenchless Plant Limited and this is included in debtors due within one year.

### 24 Directors' transactions

Dividends totalling £135,000 (2017 - £97,348) were paid in the year in respect of shares held by the company's director.

Included in other creditors amounts falling due within one year is an amount of £92,485 (2017 : £124,518) owing to the director, Mr John Doherty.

The loan is interest free and repayable on demand.

### 25 Controlling party

The company is under the control of Mr John Doherty, the majority shareholder.



# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2018**

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**26 Cash generated from group operations**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	913,957	675,311
Adjustments for:		
Taxation credited	(147,009)	(107,777)
Finance costs	34,036	31,226
Loss/(gain) on disposal of tangible fixed assets	27,113	(9,688)
Depreciation and impairment of tangible fixed assets	125,267	111,002
Movements in working capital:		
(Increase)/decrease in stocks	(110,111)	57,820
(Increase) in debtors	(504,921)	(929,946)
(Decrease)/increase in creditors	(331,859)	806,323
<b>Cash generated from operations</b>	<u>6,473</u>	<u>634,271</u>