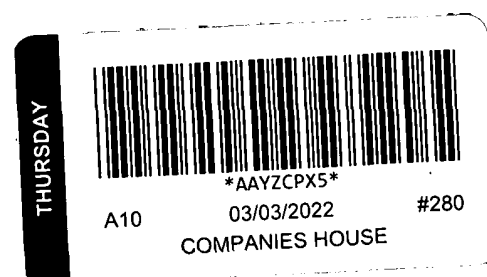


Company Registration No. 06279909 (England and Wales)

**JOHN DOHERTY HOLDINGS LIMITED**  
**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**



# JOHN DOHERTY HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr John Doherty Mrs G Doherty K Doherty (Appointed 17 May 2021)
<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**

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# **JOHN DOHERTY HOLDINGS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 JULY 2021**

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The directors present the strategic report for the year ended 31 July 2021.

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

The group is principally engaged in providing specialist trenchless solutions to the construction/civil engineering sector, using 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 work collaboratively with our clients to achieve optimum project values and enhance customer relationships.

The group has been growing at a manageable rate, although this year has experienced a reduction in group turnover of approximately 11% due to delays relating to various COVID and Brexit issues along with the transition from AMP 6 to 7 within the water industry. In the year the group has continued to invest in its most valuable asset, which is people, to accommodate future growth 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 Quality HS&E excellence.

The group remains committed to the pursuit of environmental targets in the reduction of waste on our sites and offices, and energy saving to reduce our carbon footprint. Investment in telematic software enables the company to reduce waste, loss, carbon emissions and cost in its transport and plant departments which are now FORS Silver certified.

With a large amount of our clients targeting a reduction in carbon emissions on their projects, this is taken into account when planning and purchasing equipment so that we can support our customers in their goals including productivity, safety and sustainability.

Our largest asset is our people and during the Covid crisis have been able to offer the benefits of a 24/7 access to an employee assistance programme to help maintain wellbeing.

The group is working to a UKAS approved integrated management system which covers ISO 9001:2015, 14001, OHSAS 18001 and is making continual improvements throughout the business such as ISO 27001 information security management certifications.

During the year the group also received RISQS Audited Certification allowing the business to be included in more Rail Opportunities.

The group continues to work to the "collaborate working standard ISO 44001:2017", with our partners, which is now in the sixth 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 encouraging with the AMP7 (the seventh Asset Management Period planned by the UK Water Industry) well underway and HS2 works are already being executed.

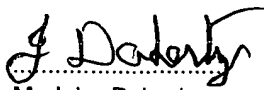
# JOHN DOHERTY HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2021**

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On behalf of the board



Mr John Doherty  
Director

Date: 18<sup>th</sup> February 2022

# JOHN DOHERTY HOLDINGS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JULY 2021**

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

### 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.

### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £120,250. The directors do not recommend payment of a further dividend.

### Directors

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

Mr John Doherty

Mrs G Doherty

K Doherty

(Appointed 17 May 2021)

### Auditor

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

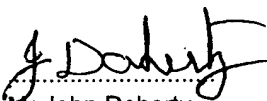
### Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

### 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: 18 Feb 2022

# **JOHN DOHERTY HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JULY 2021***

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 directors are 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. They are 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 2021 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 and notes to the financial statements, including 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 2021 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

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the 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 directors' 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 directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the 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.

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

The auditor's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

Which laws and regulations the auditor identified as being of significance in the context of the entity.

# JOHN DOHERTY HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF JOHN DOHERTY HOLDINGS LIMITED

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The auditor's explanation of its audit response will depend on the risks identified but may include:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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

Date: 21 February 2022

**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 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	12,397,223	13,874,215
Cost of sales		(9,938,371)	(11,317,928)
<b>Gross profit</b>		<u>2,458,852</u>	<u>2,556,287</u>
Administrative expenses		(2,275,796)	(2,122,624)
Other operating income		97,177	92,296
<b>Operating profit</b>	<b>4</b>	<u>280,233</u>	<u>525,959</u>
Interest receivable and similar income	<b>7</b>	-	1,961
Interest payable and similar expenses	<b>8</b>	(52,479)	(40,088)
<b>Profit before taxation</b>		<u>227,754</u>	<u>487,832</u>
Tax on profit	<b>9</b>	354,069	226,923
<b>Profit for the financial year</b>		<u><u>581,823</u></u>	<u><u>714,755</u></u>

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.

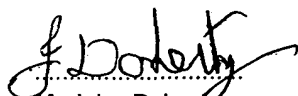
# JOHN DOHERTY HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		3,370,689		3,360,378
<b>Current assets</b>					
Stocks	14	360,908		352,825	
Debtors	15	5,520,827		3,740,337	
Cash at bank and in hand		556,776		608,625	
		6,438,511		4,701,787	
<b>Creditors: amounts falling due within one year</b>	16	(3,177,585)		(2,215,321)	
<b>Net current assets</b>			3,260,926		2,486,466
<b>Total assets less current liabilities</b>			6,631,615		5,846,844
<b>Creditors: amounts falling due after more than one year</b>	17		(649,554)		(293,131)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	282,166		315,391	
			(282,166)		(315,391)
<b>Net assets</b>			5,699,895		5,238,322
<b>Capital and reserves</b>					
Called up share capital	22		100		100
Revaluation reserve			106,850		106,850
Profit and loss reserves			5,592,945		5,131,372
<b>Total equity</b>			5,699,895		5,238,322

The financial statements were approved by the board of directors and authorised for issue on 18<sup>th</sup> Feb 2022 and are signed on its behalf by:

  
Mr John Doherty  
Director

# JOHN DOHERTY HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11	1,622,121		1,350,144	
Investments	12	2,100		2,100	
		<u>1,624,221</u>		<u>1,352,244</u>	
<b>Current assets</b>					
Debtors	15	329,671		260,729	
Cash at bank and in hand		1,346		53,037	
		<u>331,017</u>		<u>313,766</u>	
<b>Creditors: amounts falling due within one year</b>	16	(1,029,479)		(745,379)	
<b>Net current liabilities</b>			(698,462)		(431,613)
<b>Total assets less current liabilities</b>			925,759		920,631
<b>Creditors: amounts falling due after more than one year</b>	17		(194,529)		(221,516)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	25,064		25,064	
		<u>(25,064)</u>		<u>(25,064)</u>	
<b>Net assets</b>			<u>706,166</u>		<u>674,051</u>
<b>Capital and reserves</b>					
Called up share capital	22	100		100	
Revaluation reserve		106,850		106,850	
Profit and loss reserves		599,216		567,101	
<b>Total equity</b>			<u>706,166</u>		<u>674,051</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 £152,365 (2020 - £42,930 profit).

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

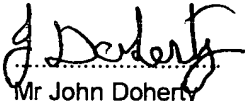
# **JOHN DOHERTY HOLDINGS LIMITED**

## **COMPANY BALANCE SHEET (CONTINUED)**

**AS AT 31 JULY 2021**

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The financial statements were approved by the board of directors and authorised for issue on 18th Feb 2022 and are signed on its behalf by:



Mr John Doherty  
**Director**

**Company Registration No. 06279909**

# JOHN DOHERTY HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2019</b>		100	106,850	4,444,530	4,551,480
<b>Year ended 31 July 2020:</b>					
Profit and total comprehensive income for the year		-	-	714,755	714,755
Dividends	10	-	-	(27,913)	(27,913)
<b>Balance at 31 July 2020</b>		100	106,850	5,131,372	5,238,322
<b>Year ended 31 July 2021:</b>					
Profit and total comprehensive income for the year		-	-	581,823	581,823
Dividends	10	-	-	(120,250)	(120,250)
<b>Balance at 31 July 2021</b>		100	106,850	5,592,945	5,699,895

# JOHN DOHERTY HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2019</b>		100	106,850	552,084	659,034
<b>Year ended 31 July 2020:</b>					
Profit and total comprehensive income for the year		-	-	42,930	42,930
Dividends	10	-	-	(27,913)	(27,913)
<b>Balance at 31 July 2020</b>		100	106,850	567,101	674,051
<b>Year ended 31 July 2021:</b>					
Profit and total comprehensive income for the year		-	-	152,365	152,365
Dividends	10	-	-	(120,250)	(120,250)
<b>Balance at 31 July 2021</b>		100	106,850	599,216	706,166



# JOHN DOHERTY HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	26		(585,728)		22,311
Interest paid			(52,479)		(40,088)
Income taxes refunded			330,676		189,948
<b>Net cash (outflow)/inflow from operating activities</b>			(307,531)		172,171
<b>Investing activities</b>					
Purchase of tangible fixed assets		(278,513)		(576,664)	
Proceeds on disposal of tangible fixed assets		60,000		-	
Interest received		-		1,961	
<b>Net cash used in investing activities</b>			(218,513)		(574,703)
<b>Financing activities</b>					
Repayment of borrowings		500,000		(44,196)	
Repayment of bank loans		(26,987)		(26,986)	
Payment of finance leases obligations		(132,778)		(50,988)	
Dividends paid to equity shareholders		(120,250)		(27,913)	
<b>Net cash generated from/(used in) financing activities</b>			219,985		(150,083)
<b>Net decrease in cash and cash equivalents</b>			(306,059)		(552,615)
Cash and cash equivalents at beginning of year			111,566		664,181
<b>Cash and cash equivalents at end of year</b>			(194,493)		111,566
<b>Relating to:</b>					
Cash at bank and in hand			556,776		608,625
Bank overdrafts included in creditors payable within one year			(751,269)		(497,059)

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JULY 2021**

---

### **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 Business combinations**

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.

#### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company John Doherty Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 July 2021. 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.

#### **1.4 Going concern**

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

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 1 Accounting policies

(Continued)

#### 1.5 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.

#### 1.6 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.

#### 1.7 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

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#### 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.

#### 1.8 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

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### 1 Accounting policies

(Continued)

#### 1.9 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 cost and replacement 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.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.11 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

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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***

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 GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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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.

#### **1.12 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.

#### **1.13 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.

#### **1.14 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.

#### **1.15 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 GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 1 Accounting policies

(Continued)

#### 1.16 Retirement benefits

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

#### 1.17 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are 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:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sales	11,929,821	13,332,226
Management charges	392,402	466,989
Rent received	75,000	75,000
	<u>12,397,223</u>	<u>13,874,215</u>



# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 3 Turnover and other revenue

(Continued)

	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	12,397,223	13,874,215
	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	-	1,961
Grants received	96,677	89,979

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(96,677)	(89,979)
Depreciation of owned tangible fixed assets	177,920	163,893
Depreciation of tangible fixed assets held under finance leases	30,282	22,906

### 5 Auditor's remuneration

	2021 £	2020 £
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	4,800
Audit of the financial statements of the company's subsidiaries	13,800	10,700
	18,600	15,500

### 6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Direct	14	14	-	-
Indirect	15	14	-	-
Directors	4	3	3	2
Total	33	31	3	2

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	2,082,286	1,754,313	-	-
Social security costs	156,129	140,297	-	-
Pension costs	185,288	263,894	-	-
	<u>2,423,703</u>	<u>2,158,504</u>	<u>-</u>	<u>-</u>

### 7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	-	1,961
	<u>-</u>	<u>1,961</u>

### 8 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	11,757	6,229
Other interest on financial liabilities	40,537	33,444
	<u>52,294</u>	<u>39,673</u>
<b>Other finance costs:</b>		
Other interest	185	415
	<u>52,479</u>	<u>40,088</u>

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	60,827	37,145
Adjustments in respect of prior periods	(381,671)	(321,168)
	<u>(320,844)</u>	<u>(284,023)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(33,225)	57,100
	<u>(354,069)</u>	<u>(226,923)</u>

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 9 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	227,754	487,832
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	43,273	92,688
Tax effect of expenses that are not deductible in determining taxable profit	(2,649)	23,308
Permanent capital allowances in excess of depreciation	(1,622)	(78,851)
Research and development tax credit	(381,671)	(321,168)
Deferred tax adjustments in respect of prior years	(33,225)	57,100
Depreciation in excess of permanent capital allowances	21,825	-
Taxation credit	(354,069)	(226,923)

### 10 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	120,250	27,913

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

### 11 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 2020	1,350,144	4,045,769	46,536	79,520	248,986	5,770,955
Additions	271,977	-	2,914	3,622	-	278,513
Disposals	-	(60,000)	-	-	-	(60,000)
At 31 July 2021	1,622,121	3,985,769	49,450	83,142	248,986	5,989,468
<b>Depreciation and impairment</b>						
At 1 August 2020	-	2,081,345	35,174	66,396	227,662	2,410,577
Depreciation charged in the year	-	196,442	1,258	5,171	5,331	208,202
At 31 July 2021	-	2,277,787	36,432	71,567	232,993	2,618,779
<b>Carrying amount</b>						
At 31 July 2021	1,622,121	1,707,982	13,018	11,575	15,993	3,370,689
At 31 July 2020	1,350,144	1,964,424	11,362	13,124	21,324	3,360,378
<b>Company</b>						<b>Land and buildings £</b>
<b>Cost or valuation</b>						
At 1 August 2020						1,350,144
Additions						271,977
At 31 July 2021						1,622,121
<b>Depreciation and impairment</b>						
At 1 August 2020 and 31 July 2021						-
<b>Carrying amount</b>						
At 31 July 2021						1,622,121
At 31 July 2020						1,350,144

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

#### 11 Tangible fixed assets

(Continued)

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and machinery	272,534	302,816	-	-

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 a historical cost basis rather than a fair value basis, the total amounts would have been as follows:

	2021 £	2020 £
<b>Group</b>		
Cost	734,556	462,579
<b>Company</b>		
Cost	734,556	462,579
Carrying value	734,556	462,579

#### 12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	2,100	2,100

#### Movements in fixed asset investments

Company	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 August 2020 and 31 July 2021	2,100
<b>Carrying amount</b>	
At 31 July 2021	2,100
At 31 July 2020	2,100

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 13 Subsidiaries

Details of the company's subsidiaries at 31 July 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Active Tunnelling Construction Limited	International House, Zone 4a, Bayton Road, Exhall, Coventry, CV7 9EJ	Ordinary	100.00
Active Tunnelling Limited	As above	Ordinary	100.00
Connect Pipeline Limited	As above	Ordinary	100.00

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

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Active Tunnelling Construction Limited	145,028	30,409
Active Tunnelling Limited	4,849,801	519,299
Connect Pipeline Limited	1,000	-

### 14 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	360,908	352,825	-	-

### 15 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	928,667	764,119	-	-
Gross amounts owed by contract customers	3,428,683	2,039,542	-	-
Amounts owed by group undertakings	88	-	-	-
Other debtors	956,159	685,383	329,671	260,729
Prepayments and accrued income	207,230	251,293	-	-
	<u>5,520,827</u>	<u>3,740,337</u>	<u>329,671</u>	<u>260,729</u>

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

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

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	791,286	537,076	40,017	40,017
Obligations under finance leases	19	64,506	132,777	-	-
Other borrowings	18	52,083	-	-	-
Trade creditors		948,575	637,981	48,048	-
Amounts owed to group undertakings		-	-	848,037	597,027
Corporation tax payable		60,827	50,995	5,530	7,257
Other taxation and social security		216,738	255,538	-	14,018
Other creditors		672,597	130,116	1,000	2,000
Accruals and deferred income		370,973	470,838	86,847	85,060
		<u>3,177,585</u>	<u>2,215,321</u>	<u>1,029,479</u>	<u>745,379</u>

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

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	194,529	221,516	194,529	221,516
Obligations under finance leases	19	7,108	71,615	-	-
Other borrowings	18	447,917	-	-	-
		<u>649,554</u>	<u>293,131</u>	<u>194,529</u>	<u>221,516</u>

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

Payable by instalments	<u>12,187</u>	<u>45,338</u>	<u>12,187</u>	<u>45,338</u>
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### 18 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	234,546	261,533	234,546	261,533
Bank overdrafts	751,269	497,059	-	-
Other loans	500,000	-	-	-
	<u>1,485,815</u>	<u>758,592</u>	<u>234,546</u>	<u>261,533</u>
Payable within one year	843,369	537,076	40,017	40,017
Payable after one year	<u>642,446</u>	<u>221,516</u>	<u>194,529</u>	<u>221,516</u>

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 18 Loans and overdrafts

(Continued)

The bank loans and overdrafts are secured by a fixed charge over the company's assets.

### 19 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	64,506	132,777	-	-
In two to five years	7,108	71,615	-	-
	<u>71,614</u>	<u>204,392</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 2021 £	Liabilities 2020 £
Accelerated capital allowances	257,102	290,327
Revaluations	25,064	25,064
	<u>282,166</u>	<u>315,391</u>
Company	Liabilities 2021 £	Liabilities 2020 £
Revaluations	25,064	25,064



# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 20 Deferred taxation

(Continued)

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 August 2020	315,391	25,064
Credit to other comprehensive income	(33,225)	-
Liability at 31 July 2021	<u>282,166</u>	<u>25,064</u>

### 21 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>185,288</u>	<u>263,894</u>

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	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 23 Related party transactions

#### Transactions with related parties

##### Other information

During the year the group was charged costs of £2,793,864 (2020 : £2,970,656) from Trenchless Plant Limited, a company under common control. In addition, the group recharged costs to Trenchless Plant Limited amounting to £640,285 (2020 : £422,331). At the balance sheet date there was an amount of £810,191 (2020 : £361,133) owed by Trenchless Plant Limited and this is included in debtors due within one year.

The group was charged costs of £297,674 (2020 - £443,263) from Active Crane Hire Limited, a company under common control. In addition, the group recharged costs of £78,418 (2020 - £55,968) to Active Crane Hire Limited. At the balance sheet date there was an amount of £377,682 (2020 - £26,471) owed to Active Crane Hire Limited and this is included in creditors due within one year.

### 24 Controlling party

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

# JOHN DOHERTY HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 25 Directors' transactions

Dividends totalling £120,250 (2020 - £27,913) were paid in the year in respect of shares held by the company's director.

### 26 Cash (absorbed by)/generated from group operations

	2021 £	2020 £
Profit for the year after tax	581,823	714,755
<b>Adjustments for:</b>		
Taxation credited	(354,069)	(226,923)
Finance costs	52,479	40,088
Investment income	-	(1,961)
Depreciation and impairment of tangible fixed assets	208,202	186,799
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(8,083)	116,878
(Increase)/decrease in debtors	(1,780,490)	516,200
Increase/(decrease) in creditors	714,410	(1,323,525)
<b>Cash (absorbed by)/generated from operations</b>	<b>(585,728)</b>	<b>22,311</b>

### 27 Analysis of changes in net debt - group

	1 August 2020 £	Cash flows £	31 July 2021 £
Cash at bank and in hand	608,625	(51,849)	556,776
Bank overdrafts	(497,059)	(254,210)	(751,269)
	111,566	(306,059)	(194,493)
Borrowings excluding overdrafts	(261,533)	(473,013)	(734,546)
Obligations under finance leases	(204,392)	132,778	(71,614)
	(354,359)	(646,294)	(1,000,653)

### 28 Analysis of changes in net debt - company

	1 August 2020 £	Cash flows £	31 July 2021 £
Cash at bank and in hand	53,037	(51,691)	1,346
Borrowings excluding overdrafts	(261,533)	26,987	(234,546)
	(208,496)	(24,704)	(233,200)