

Howard Civil Engineering Limited

Company Registration Number 04656708

Annual Report and Unaudited Accounts

Year ended 31 July 2018

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Balance Sheet	1
Notes to the Accounts	2 to 7

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	4	550,284	598,142
Current assets			
Debtors	5	5,159,970	3,147,996
Cash at bank and in hand		<u>1,180,901</u>	<u>1,212,635</u>
		6,340,871	4,360,631
Creditors: Amounts falling due within one year	6	<u>(4,890,651)</u>	<u>(3,258,584)</u>
Net current assets		<u>1,450,220</u>	<u>1,102,047</u>
Total assets less current liabilities		2,000,504	1,700,189
Creditors: Amounts falling due after more than one year	6	(689,962)	(285,316)
Provisions for liabilities		<u>(24,742)</u>	<u>(35,029)</u>
Net assets		<u>1,285,800</u>	<u>1,379,844</u>
Capital and reserves			
Called up share capital	7	200	200
Profit and loss account		<u>1,285,600</u>	<u>1,379,644</u>
		<u>1,285,800</u>	<u>1,379,844</u>

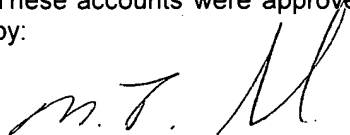
For the year ended 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts and reports have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the profit and loss account has been taken.

These accounts were approved and authorised for issue by the Board on 10/4/2019 and signed on its behalf by:



M.T Howard
Director

1 General information

Howard Civil Engineering Limited is a private company limited by shares and incorporated in England under company number 04656708.

The address of its registered office and principal place of business is:

Unit 11
Acorn Business Park
Killingbeck Drive
Leeds
LS14 6UF

2 Summary of significant accounting policies

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards including Section 1A of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The accounts have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The presentation currency is £ sterling.

The significant accounting policies applied in the preparation of these accounts are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Going concern

The financial statements have been prepared on the going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessment in determining that this is the appropriate basis of preparation of the financial statements. After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have the most significant effect on amounts recognised in the financial statements relate to the calculation of amounts recoverable on contracts ("AROC") which is included in current debtors at the balance sheet date.

The calculation of AROC requires the management to estimate future revenue and costs in order to establish a stage of completion for contracts in progress at the balance sheet date. The management relies on the judgement of experts and project budgets and forecast in order to arrive at the figures reported in the accounts. The carrying amount of AROC included in the financial statements is £2,691,165 (2017: £664,543).

Turnover

Turnover represents revenue receivable for goods and services provided during the year, net of value added tax.

Revenue is recognised as contract activity progress in relation to contracted obligations that are performed gradually over time. Uncompleted contracts at the balance sheet date are brought into account by reference to the fair value of the work performed at that date and are described in the financial statements as amounts recoverable on contracts within current assets.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Pension contributions

The company has a defined contribution pension scheme. The pension costs charged to the profit and loss account are the contributions payable in respect of the accounting period.

Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences. The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Dividends

Dividends are recognised as a liability in the period in which the shareholder's right to receive payment has been established.

Finance income and costs policy

Finance income represents the revenue receivable from financial activities during the year.

Finance costs represents the costs incurred and accrued from the financing of the company during the year.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives. The annual rates and methods of depreciation are as follows:-

Asset class	Depreciation method and rate
Land	No depreciation is provided on land
Buildings	5% straight line
Motor vehicles	25% reducing balance

Impairment of assets

At the balance sheet date, if there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the profit and loss account.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are not interest bearing and are stated at their original invoice value reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Trade and other short term creditors are measured at transaction price. Other financial liabilities which are basic financial instruments, including bank loans, are measured initially at the present value of cash payable to settle the liabilities (including interest) and are subsequently measured at amortised cost using the effective interest method.

Leases and hire purchase contracts

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Fixed assets acquired under hire purchase contracts are included in the balance sheet at cost and an appropriate provision is made for depreciation.

The outstanding liabilities under such agreements less interest not yet due are included in creditors.

3 Employees

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

	2018 No.	2017 No.
Employees	<u>32</u>	<u>25</u>

4 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Total £
Cost			
At 1 August 2017	435,211	210,680	645,891
Additions	<u>7,665</u>	<u>-</u>	<u>7,665</u>
At 31 July 2018	<u>442,876</u>	<u>210,680</u>	<u>653,556</u>
Depreciation			
At 1 August 2017	23,301	24,448	47,749
Charge for the year	<u>8,965</u>	<u>46,558</u>	<u>55,523</u>
At 31 July 2018	<u>32,266</u>	<u>71,006</u>	<u>103,272</u>
Net book value			
At 31 July 2017	<u>411,910</u>	<u>186,232</u>	<u>598,142</u>
At 31 July 2018	<u>410,610</u>	<u>139,674</u>	<u>550,284</u>

5 Debtors

	2018 £	2017 £
Trade debtors	746,731	590,003
Directors loans	-	49,032
Amounts recoverable on contracts	2,691,165	664,543
Other debtors	1,683,109	1,805,701
Prepayments	<u>38,965</u>	<u>38,717</u>
	<u>5,159,970</u>	<u>3,147,996</u>

6 Creditors:
Amounts falling due within one year

	2018 £	2017 £
Bank loan	29,674	26,161
Hire purchase contracts	59,368	59,368
Other borrowings	392,551	-
Trade creditors	4,226,131	2,493,061
Social security and other taxes	29,766	18,440
Other creditors	50,307	110,138
Corporation tax	71,885	119,086
Accruals and deferred income	30,969	432,330
	<u>4,890,651</u>	<u>3,258,584</u>

Amounts falling due after more than one year

Bank loan	313,066	188,315
Hire purchase contracts	37,633	97,001
Other borrowings	339,263	-
	<u>689,962</u>	<u>285,316</u>

7 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
'A' Ordinary shares of £1 each	120	120	120	120
'B' Ordinary shares of £1 each	20	20	20	20
'C' Ordinary shares of £1 each	20	20	20	20
'D' Ordinary shares of £1 each	20	20	20	20
'E' Ordinary shares of £1 each	20	20	20	20
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank pari passu in all respects. The directors have the power to vote variable rates of dividends on the different classes of shares.

8 Security

Loans totalling £342,740 (2017: £214,476) are secured by a legal charge over the freehold land and buildings.

Hire purchase creditors totalling £97,000 (2017: £156,369) are secured by the finance company's title to the assets financed.

Other borrowings totalling £450,746 (2017: £nil) are secured by a legal charge over the Assets of a connected company Howard Plant Hire Limited.

9 Leasing commitments

Operating leases

The total of future minimum operating lease payments is as follows:

	2018 £	2017 £
Within one year	31,248	26,949
Between one and five years	85,250	85,360
After five years	-	10,200
	<u>116,498</u>	<u>122,509</u>