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REGISTRAR OF
COMPANIES

P N DALY LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
30 SEPTEMBER 2008



Tenon Limited
Accountants and Business Advisers
Lewis House
12 Smith Street
Rochdale
Lancashire
OL16 1TX

P N DALY LIMITED

Annual report and financial statements for the year ended 30 September 2008

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Directors

P N Daly
J A Daly
F P Daly
C P Foynes
N D Price

Secretary and registered office

J A Daly, Butterworth Hall Works, Charles Lane, Milnrow, Rochdale, Lancashire, OL16 3PA

Company number

871763

Accountants

Tenon Limited, Lewis House, 12 Smith Street, Rochdale, Lancashire, OL16 1TX

Auditors

Tenon Audit Limited, Lewis House, 12 Smith Street, Rochdale, Lancashire, OL16 1TX

Bankers

National Westminster Bank Plc, Town Hall Square, Rochdale, Lancashire, OL16 1LL

Report of the directors for the year ended 30 September 2008

The directors present their report together with the audited financial statements for the year ended 30 September 2008.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2007 - £Nil) for the year.

Principal activities and business review

The company's principal activity has continued to be that of civil engineering contractors.

During the year the company turnover has increased by 11.9% to £26.8M, following significant investments made in developing the company's trade in new markets.

At the year end the company had shareholders funds of £7.4M compared to £6.5M the previous year. The directors believe the company's position to be satisfactory with net current assets of £7.0M.

The directors have assessed the main risks facing the company as competition within the market.

Charitable and political contributions

During the year the company made charitable contributions of £5,332 (2007 - £2,675).

Disabled employees

Disabled persons are employed by the company when they appear to be suited to a particular vacancy. Where an existing employee becomes disabled every effort is made to continue to provide suitable employment, either in the same or in an alternative position.

Employee participation

The company places considerable value on the involvement of its employees and has continued its existing practice of keeping them informed on matters affecting them as employees and on various matters affecting the performance of the company.

Directors

The directors of the company during the year were as follows:

P N Daly
J A Daly
F P Daly
C P Foynes
N D Price

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits and loans from the directors. The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Tenon Audit Limited have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the Board



J A Daly
Secretary

19 May 2009

P N DALY LIMITED

Independent auditors' report

To the shareholders of P N Daly Limited

We have audited the financial statements of P N Daly Limited for the year ended 30 September 2008 on pages 4 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report if, in our opinion, the if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 30 September 2008 and of its profit for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditors

19 May 2009

Lewis House
12 Smith Street
Rochdale
Lancashire
OL16 1TX

P N DALY LIMITED

Profit and loss account for the year ended 30 September 2008

	Note	2008 £	2007 £
Turnover	2	26,833,156	23,971,478
Cost of sales		<u>(22,704,993)</u>	<u>(19,677,298)</u>
Gross profit		4,128,163	4,294,180
Administrative expenses		<u>(3,266,405)</u>	<u>(3,156,615)</u>
Operating profit	5	861,758	1,137,565
Interest receivable	6a	466,210	369,257
Interest payable and similar charges	6b	<u>(42,172)</u>	<u>(58,110)</u>
Profit on ordinary activities before taxation		1,285,796	1,448,712
Taxation on profit from ordinary activities	7	<u>(376,448)</u>	<u>(441,272)</u>
Profit for the financial year	16	<u>909,348</u>	<u>1,007,440</u>

All above amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 15 form part of these financial statements.

P N DALY LIMITED

Balance sheet at 30 September 2008

	Note	2008	2007
		£	£
Fixed assets			
Tangible assets	8	457,722	633,752
Current assets			
Stocks	9	1,623,562	1,010,417
Debtors	10	5,698,098	5,803,316
Investments	11	8,050,728	7,976,535
Cash at bank and in hand		-	52,575
		<u>15,372,388</u>	<u>14,842,843</u>
Creditors: amounts falling due within one year	12	<u>(8,340,249)</u>	<u>(8,538,989)</u>
Net current assets		<u>7,032,139</u>	<u>6,303,854</u>
Total assets less current liabilities		<u>7,489,861</u>	<u>6,937,606</u>
Provisions for liabilities	13	<u>(50,353)</u>	<u>(407,446)</u>
Net assets		<u><u>7,439,508</u></u>	<u><u>6,530,160</u></u>
Capital and reserves			
Called up share capital	15	671	671
Capital redemption reserve		429	429
Profit and loss account	16	7,438,408	6,529,060
Equity shareholders' funds	17	<u><u>7,439,508</u></u>	<u><u>6,530,160</u></u>

The financial statements were approved by the Board on 19 May 2009.



P N Daly
Director

The notes on pages 7 to 15 form part of these financial statements.

P N DALY LIMITED

Cash flow statement for the year ended 30 September 2008

	Note	2008	2007
		£	£
Net cash (outflow)/inflow from operating activities	21	(20,060)	2,900,799
Returns on investments and servicing of finance			
Interest received		466,210	369,257
Interest paid		(42,171)	(57,125)
Interest element of hire purchase payments		-	(985)
		<u>424,039</u>	<u>311,147</u>
Taxation			
Corporation tax paid		(441,673)	(274,982)
Capital expenditure			
Purchase of tangible fixed assets		(133,681)	(136,939)
Sale of tangible fixed assets		101,480	(24,313)
		<u>(32,201)</u>	<u>(161,252)</u>
Net cash (outflow)/inflow before liquid resources and financing		(69,895)	2,912,651
Cash placed on deposit		(1,374,760)	(3,579,596)
Financing			
Capital element of hire purchase payments		-	(28,948)
Repayment of pension scheme loan		-	(384,979)
		<u>-</u>	<u>(413,927)</u>
Decrease in cash in the year	22	<u>(1,444,655)</u>	<u>(1,080,872)</u>

The notes on pages 7 to 15 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less provision for allowances and excluding value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings	- 10% per annum on written down value or 25% per annum on cost
Plant and machinery	- 35% per annum on written down value
Motor vehicles	- 35% per annum on written down value

Leased assets

Where assets are financed by leasing agreements or hire purchase contracts that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value. In respect of work-in-progress cost includes appropriate overhead expenses.

Long term contracts

Turnover is calculated on the basis of the work done and, when a profitable outcome to the contract can be assessed with reasonable certainty, includes attributable profit. Attributable profit is calculated on a prudent basis for each contract by reference to the contract's cumulative turnover, total contract value and total profit estimated for the completed contract. Provisions for losses are made on all contracts in the period they are foreseen.

Amounts recoverable on contracts represents the excess of recorded turnover over amounts invoiced and, if material, is disclosed separately within debtors.

Advance and progress payments are included in creditors as payments on account to the extent that they exceed work in progress.

1 Accounting policies (continued)

Pension costs

Contributions paid under defined contribution schemes are charged to the profit and loss account as they are incurred.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Financial instruments

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

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees	2008 £	2007 £
Staff costs (including directors) consist of:		
Wages and salaries	10,146,070	10,648,499
Social security costs	999,460	956,307
Other pension costs	935,741	370,449
	<u>12,081,271</u>	<u>11,975,255</u>

The average number of employees (including directors) during the year was as follows:

	2008 Number	2007 Number
Administration	22	21
Production	358	355
	<u>380</u>	<u>376</u>

P N DALY LIMITED

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

4 Directors	2008 £	2007 £
Directors' emoluments consist of:		
Total emoluments	586,570	1,384,292
Company contributions to defined contribution pension schemes	280,363	100,065
	866,933	1,484,357
In respect of the highest paid director:		
Total emoluments	146,418	748,275
Company contributions to defined contribution pension schemes	-	-
	146,418	748,275
	Number	Number
Number of directors receiving:		
Payments to defined contribution pension schemes	3	1
5 Operating profit	2008 £	2007 £
This has been arrived at after charging/(crediting):		
Depreciation	229,844	308,164
Profit on sale of tangible fixed assets	(21,613)	(41,687)
Auditors' remuneration		
- Audit of the company's annual financial statements	32,000	31,000
- Fees payable to the company's auditor for other services		
Tax services	12,000	3,000
All other services	-	-
Operating lease rentals		
- land and buildings	40,000	40,000
6a Interest receivable		
Bank interest	466,210	365,728
Other interest	-	3,529
	466,210	369,257

P N DALY LIMITED

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

6b Interest payable and similar charges	2008 £	2007 £
On other loans	42,172	52,407
On hire purchase contracts	-	985
Other interest payable	-	4,718
	42,172	58,110

7 Taxation on profit from ordinary activities	2008 £	2007 £
Current tax		
UK Corporation tax on profits for the period	376,448	441,673
Adjustment in respect of previous years	-	(401)
	376,448	441,272

The tax assessed for the period differs from the standard rate of Corporation tax in the UK. The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before taxation	1,285,796	1,448,712
Profit on ordinary activities at the standard rate of Corporation tax of 28% (2007 – 30%)	360,023	434,614
Effects of:		
Expenses not deductible for tax purposes	9,316	11,013
Capital allowances (less than)/in excess of depreciation	(2,012)	(4,258)
Sundry timing differences	-	304
Adjustment in respect of previous years	-	(401)
Change in tax rates	12,413	-
Effect of lower tax rates	(3,292)	-
	376,448	441,272

P N DALY LIMITED

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

8 Tangible fixed assets	Fixtures, and fittings £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 October 2007	163,871	679,564	1,723,451	2,566,886
Additions	3,300	19,671	110,710	133,681
Disposals	-	(178,653)	(319,252)	(497,905)
At 30 September 2008	167,171	520,582	1,514,909	2,202,662
<i>Depreciation</i>				
At 1 October 2007	133,532	520,791	1,278,811	1,933,134
Provided for the year	3,859	57,793	168,192	229,844
Disposals	-	(163,717)	(254,321)	(418,038)
At 30 September 2008	137,391	414,867	1,192,682	1,744,940
<i>Net book value</i>				
At 30 September 2008	29,780	105,715	322,227	457,722
At 30 September 2007	30,339	158,773	444,640	633,752

9 Stocks	2008 £	2007 £
Raw materials and consumables	18,500	18,500
Work in progress	1,514,052	734,491
Long term contract balances	91,010	257,426
	1,623,562	1,010,417

The replacement cost of stocks is not materially different to their historic cost.

Long term contract balances comprise the following:	2008 £	2007 £
Net costs less foreseeable losses	113,000	257,426
Payments on account	(21,990)	-
	91,010	257,426

10 Debtors	2008 £	2007 £
Trade debtors	4,964,159	5,239,584
Amounts recoverable on contracts	411,230	294,826
Other debtors	13,770	1,770
Prepayments and accrued income	308,939	267,136
	5,698,098	5,803,316

P N DALY LIMITED

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

11 Investments

Investments consist of short term cash deposits with the company's bankers and investment in government gilts. All these deposits are accessible at short notice.

12 Creditors: amounts falling due within one year	2008 £	2007 £
Bank overdraft	499,269	407,756
Trade creditors	3,544,464	3,076,853
Payments on account	1,958,622	1,889,491
Corporation tax	376,448	441,673
Other taxes and social security costs	359,792	480,306
Other creditors	526,552	453,118
Loans from directors	400,000	400,000
Accruals	675,102	1,389,792
	8,340,249	8,538,989

Bank overdraft balances at 30 September 2008 and 2007 comprise cash book balances; surplus funds are placed on overnight deposit. Bank transfers are made as appropriate between accounts, with the objective that daily bank statement balances are not overdrawn.

At 30 September 2008 directors' loans of £400,000 (2007 - £400,000) were secured by way of a debenture on the assets of the company. These loans bear interest at 3% above the base rate of National Westminster Bank PLC.

13 Provisions for liabilities

	Contract provisions £
At 1 October 2007	407,446
Utilised in the year	(357,093)
Charged in the year	-
	50,353
At 30 September 2008	

Contract provisions relate to provisions in respect of contractual commitments at the balance sheet date. The majority of provisions are expected to be utilised within two years.

14 Deferred taxation

At 30 September 2008 the potential deferred tax asset, none of which has been reflected in the financial statements, is as follows:

	2008 Potential £	2007 Potential £
Accelerated capital allowances	76,885	78,898
Sundry timing differences	(101)	(102)
	<u>76,784</u>	<u>78,796</u>

15 Share capital

	2008 £	2007 £
Authorised		
1,000 (2007 - 1,000) Ordinary shares of £1 each	1,000	1,000
100 (2007 - 100) Deferred ordinary shares of £1 each	100	100
	<u>1,100</u>	<u>1,100</u>
Allotted, called up and fully paid		
610 (2007 - 610) Ordinary shares of £1 each	610	610
61 (2007 - 61) Deferred ordinary shares of £1 each	61	61
	<u>671</u>	<u>671</u>

Deferred ordinary shares carry no voting rights. The shares are entitled to an annual dividend, at the discretion of the directors, subject to a maximum of 0.5% of the amount paid up on each share. Otherwise, the shares carry no additional rights to participation in the company's profits or assets.

Details of directors' interests in the shares of the company are included in the directors' report.

16 Profit and loss account

	£
1 October 2007	6,529,060
Retained profit for the year	909,348
	<u>7,438,408</u>
30 September 2008	

17 Reconciliation of movements in equity shareholders' funds

	2008 £	2007 £
Profit for year	909,348	1,007,440
Opening equity shareholders' funds	6,530,160	5,522,720
	<u>7,439,508</u>	<u>6,530,160</u>
Closing equity shareholders' funds		

18 Derivatives

At 30 September 2008 the company has no financial arrangements which are considered to be derivatives.

19 Commitments under operating leases

As at 30 September 2008, the company had annual commitments under non-cancellable operating leases as set out below:

	2008 Land and buildings £	2007 Land and buildings £
Operating leases which expire:		
Within one year	<u>40,000</u>	<u>40,000</u>

20 Contingent liabilities

As at 30 September 2008, the company had given performance bonds in the sum of £454,670 (2007 - £80,000).

21 Reconciliation of operating profit to net cash inflow from operating activities

	2008 £	2007 £
Operating profit	861,758	1,137,565
Depreciation	229,844	308,164
Profit on sale of tangible fixed assets	(21,613)	(41,687)
(Increase)/decrease in stocks	(613,145)	430,927
Increase in debtors	105,218	(424,695)
(Decrease)/increase in creditors	(225,029)	2,539,640
(Decrease)/increase in directors' loans	-	(567,000)
(Decrease)/increase in provisions	(357,093)	(482,115)
Net cash (outflow)/inflow from operating activities	<u>(20,060)</u>	<u>2,900,799</u>

22 Reconciliation of net cash inflow to movement in net funds

	2008 £	£
Decrease in cash in the year	(1,444,655)	
Increase in current asset investment	1,374,760	
Change in net funds resulting from cash flows		(69,895)
Movement in net funds in the year		(69,885)
Opening net funds		7,621,354
Closing net funds		<u>7,551,459</u>

P N DALY LIMITED

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

23 Analysis of net funds

	At 1 October 2007 £	Cash flow £	At 30 September 2008 £
Cash in hand and at bank	52,575	(52,575)	-
Bank overdraft	(407,756)	(91,513)	(499,269)
Overnight deposits	2,976,535	(1,300,567)	1,675,968
	<u>2,621,354</u>	<u>(1,444,655)</u>	<u>1,176,699</u>
Current asset investments	5,000,000	1,374,760	6,374,760
	<u>7,621,354</u>	<u>(69,895)</u>	<u>7,551,459</u>
Total	<u>7,621,354</u>	<u>(69,895)</u>	<u>7,551,459</u>

24 Related party transactions

During the year the company paid £40,000 (2007 - £40,000) to P N and J A Daly, directors of the company, in respect of the rental of premises by the company, and paid interest, at a rate of 3% above bank base rate, of £33,148 (2007 - £44,747) to P N Daly on the balance of loans to the company. At 30 September 2008 the company owed P N Daly £400,000 (2007 - £400,000).

25 Ultimate controlling party

The company's ultimate controlling party is P N Daly, a director of the company.