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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J A Durman  
A J Durman  
M T Boyle

A E Stearn  
G J Tricker

**COMPANY SECRETARY**

N G R Barrett

**REGISTERED NUMBER**

01409637

**REGISTERED OFFICE**

264 High Street  
Cottenham  
Cambridge  
CB24 8RZ

**INDEPENDENT AUDITORS**

Peters Elworthy & Moore  
Chartered Accountants & Statutory Auditors  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

**BANKERS**

National Westminster Bank PLC  
23 Market Street  
Cambridge  
CB2 3PA

Barclays Bank PLC  
9/11 St Andrews Street  
Cambridge  
CB2 3AA

Lloyds Bank PLC  
48 High Street  
Newmarket  
Suffolk  
CB8 8LF

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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**INTRODUCTION**

The directors present their strategic report and business review, which includes the principal risks and uncertainties of the business and key performance indicators for the year ended 30 June 2020.

**BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS**

Sales turnover in the year under review totalled £15.60m compared with £20.01m in the previous year. Trading margins were 11.2% compared with the previous year of 16.2%, which reflects the impact of COVID-19 upon the operations of the business during the traditional optimum period of weather.

Despite the impact of the global COVID-19 pandemic the directors are satisfied with the results for the year and are happy to report a satisfactory performance in what have been exceptional circumstances.

At the end of the financial year the Company had cash reserves of £3.0 million (2019 - £2.9 million) and, despite the continuation of challenging market conditions, the directors are confident that the Company has adequate liquidity and financial resources to meet these challenges for the foreseeable future.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The perceived risks and uncertainties faced by the Company are in connection with operating within an already competitive market with increased competition from large national competitors.

The Company engages in a thorough risk management process to identify and mitigate risks. The Company utilises a contract costing system to manage and control construction costs to ensure they remain within budget. The Company also has a quality management system in place to ensure contracts are delivered on time and to the required specification.

The emergence of the COVID-19 pandemic and the associated impact on the wider UK economy represents a new risk for the Company. This risk is managed through the established risk management process, including regular close monitoring of performance at board level so that the directors can take swift action as necessary when specific threats or opportunities arise.

This report was approved by the board and signed on its behalf by:.

**J A Durman**  
**Director**

Date: 27 January 2021

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present their report and the financial statements for the year ended 30 June 2020.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company during the year was that of civil engineering and general construction.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £339,902 (2019 - £828,192).

The dividends for the year amounted to £NIL (2019 - £1,000,000).

#### **DIRECTORS**

The directors who served during the year were:

J A Durman  
A J Durman  
M T Boyle  
A E Stearn  
G J Tricker

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.





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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Peters Elworthy & Moore will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:

**J A Durman**  
**Director**

Date: 27 January 2021

**OPINION**

We have audited the financial statements of Durman Stearn (Civil Engineering) Limited (the 'Company') for the year ended 30 June 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Company's affairs as at 30 June 2020 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**OTHER INFORMATION (CONTINUED)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 on page 2, 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 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.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF DURMAN STEARN (CIVIL ENGINEERING) LIMITED (CONTINUED)**

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**AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

Edward Napper (Senior Statutory Auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 27 January 2021



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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2020**

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	<b>Note</b>	<b>2020 £</b>	2019 £
Turnover	4	<b>15,599,748</b>	20,007,344
Cost of sales		<b>(13,852,440)</b>	(16,763,248)
<b>GROSS PROFIT</b>		<b>1,747,308</b>	3,244,096
Administrative expenses		<b>(2,241,531)</b>	(2,529,129)
Other operating income	5	<b>734,661</b>	333,451
<b>OPERATING PROFIT</b>		<b>240,438</b>	1,048,418
Interest receivable	9	<b>9,046</b>	8,015
Interest payable	10	-	(26)
<b>PROFIT BEFORE TAX</b>		<b>249,484</b>	1,056,407
Tax on profit	11	<b>90,418</b>	(228,215)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>339,902</u></b>	<u>828,192</u>

The notes on pages 10 to 22 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 30 JUNE 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	13	<b>40,015</b>	42,197
		<u>40,015</u>	<u>42,197</u>
<b>CURRENT ASSETS</b>			
Stocks	14	<b>24,595</b>	52,469
Debtors: amounts falling due within one year	15	<b>2,718,943</b>	3,934,159
Cash at bank and in hand	16	<b>3,002,177</b>	2,905,518
		<u>5,745,715</u>	<u>6,892,146</u>
Creditors: amounts falling due within one year	17	<b>(3,248,866)</b>	(4,730,986)
<b>NET CURRENT ASSETS</b>		<b>2,496,849</b>	2,161,160
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,536,864</b>	2,203,357
Deferred tax	19	-	(6,395)
<b>NET ASSETS</b>		<b><u>2,536,864</u></b>	<b><u>2,196,962</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	<b>200</b>	200
Profit and loss account	21	<b>2,536,664</b>	2,196,762
		<u>2,536,864</u>	<u>2,196,962</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**J A Durman**  
**Director**

Date: 27 January 2021

The notes on pages 10 to 22 form part of these financial statements.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 July 2018</b>	<b>200</b>	<b>2,368,570</b>	<b>2,368,770</b>
Profit for the year	-	<b>828,192</b>	<b>828,192</b>
Dividends	-	<b>(1,000,000)</b>	<b>(1,000,000)</b>
<b>At 1 July 2019</b>	<b>200</b>	<b>2,196,762</b>	<b>2,196,962</b>
Profit for the year	-	<b>339,902</b>	<b>339,902</b>
<b>AT 30 JUNE 2020</b>	<b>200</b>	<b>2,536,664</b>	<b>2,536,864</b>

The notes on pages 10 to 22 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**1. GENERAL INFORMATION**

Durman Stearn (Civil Engineering) Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is 264 High Street, Cottenham, Cambridge, CB24 8RZ. Page 9  
The Company's functional and presentational currency is GBP.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 STATEMENT OF CASH FLOWS**

The Company, being a qualifying entity as part of a group that prepares publicly available consolidated financial statements, is exempt from the requirement to draw up a statement of cash flows in accordance with FRS 102 S1.12.

**2.3 GOING CONCERN**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the directors have considered the Company's financial resources at the time of approving the financial statements, as well as anticipated future activity and financial results.

The global health crisis caused by COVID-19 has had a significant effect on economies across the globe, with significant disruption experienced in the construction industry in the UK due to both restrictions implemented by the government and the general downturn in the wider economy. The directors continue to take decisions in order to mitigate the negative impact on turnover that the pandemic is having through implementation of various cost control measures and taking up government support where available. The directors are confident that the Company has the ability to trade through a continued period of sub-optimal trading conditions with sufficient cash headroom.

In light of the above and given the Company's healthy profit and cash reserves, the directors believe they are well placed to manage the Company's business risks successfully in the current economic climate and remain satisfied that the going concern assessment is appropriate.

**2.4 TURNOVER**

Turnover comprises revenue recognised by the Company in respect of construction contracts during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised as the fair value of the consideration received or receivable and is recognised as detailed in the long term contracts accounting policy (note 2.8).

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.5 GOVERNMENT GRANTS**

Grants are accounted under the accruals model and those of a revenue nature are recognised in the Profit and Loss Account when the Company becomes entitled to receive the grant funding.

**2.6 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%	straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 STOCKS**

Stocks are stated at the lower of cost and net realisable value and comprise raw materials and consumables used in construction contracts, and work-in-progress for construction contracts ongoing at the period end.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 LONG TERM CONTRACTS**

An assessment of the outcome on contracts cannot be reasonably anticipated until the contract is at least 50% complete. No profit is recognised on contracts that are less than 50% complete based on works completed to the end of the financial year. When a contract is 50% complete profit is recognised based on the anticipated final outcome of the contract and the level of completion at the end of the financial year. Anticipated losses are recognised in the period in which they are first foreseen.

**2.9 DEBTORS**

Short term debtors are measured at transaction price, less any impairment.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

## **2.10 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## **2.11 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

## **2.12 CREDITORS**

Short term creditors are measured at the transaction price.

## **2.13 DIVIDENDS**

Equity dividends are recognised when they become legally payable.

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## **2.14 OPERATING LEASES**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

## **2.15 PENSIONS**

### **DEFINED CONTRIBUTION PENSION PLAN**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.16 CURRENT AND DEFERRED TAXATION**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3.**

**JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**RETENTIONS PROVISION**

Retentions are provided in respect of all ongoing contracts at the year end by applying an applicable percentage to the stage of completion of each contract.

**REVENUE RECOGNITION ON LONG TERM CONTRACTS**

An assessment of the outcome on contracts cannot be reasonably anticipated until the contract is at least 50% complete. No profit is recognised on contracts that are less than 50% complete based on works completed to the end of the financial year. When a contract is 50% complete profit is recognised based on the anticipated final outcome of the contract and then level of completion at the end of the financial year. Anticipated losses are recognised in the period in which they are first foreseen.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**4. TURNOVER**

An analysis of turnover by class of business is as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Civil engineering and general construction	<b><u>15,599,748</u></b>	<u>20,007,344</u>

All turnover arose within the United Kingdom.

**5. OTHER OPERATING INCOME**

	<b>2020</b>	2019
	<b>£</b>	£
Management charges	-	300,000
Government grants receivable	<b>734,419</b>	27,061
Insurance claims	-	4,741
Sundry income	<b>242</b>	1,649
	<u><b>734,661</b></u>	<u>333,451</u>

Government grants represent amounts receivable:

- under the Coronavirus Job Retention Scheme totalling £708,605 (2019 - £NIL).
- under other training grant schemes totalling £25,814 (2019 - £27,061).

## 6. AUDITORS' REMUNERATION

	<b>2020</b>	2019
	<b>£</b>	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u><b>5,000</b></u>	<u>5,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**7. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	<b>6,009,509</b>	6,207,449
Social security costs	<b>526,597</b>	629,539
Cost of defined contribution pension scheme	<b>176,597</b>	275,570
	<b><u>6,712,703</u></b>	<u>7,112,558</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2020</b>	2019
	<b>No.</b>	No.
Construction	<b>132</b>	131
Management and administration	<b>27</b>	27
	<b><u>159</u></b>	<u>158</u>

**8. DIRECTORS' REMUNERATION**

	<b>2020</b>	2019
	<b>£</b>	£
Directors' emoluments	<b>561,094</b>	632,951
Company contributions to defined contribution pension schemes	<b>40,000</b>	150,862
	<b><u>601,094</u></b>	<u>783,813</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The remuneration attributable to the highest paid director amounted to £278,880 (2019 - £341,205), which includes an accrual for amounts receivable under long service bonus commitments.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2019 - £30,862).

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**9. INTEREST RECEIVABLE**

	<b>2020</b>	2019
	<b>£</b>	£
Other interest receivable	<u><b>9,046</b></u>	<u>8,015</u>

**10. INTEREST PAYABLE**

	<b>2020</b>	2019
	<b>£</b>	£
Bank interest payable	<u>-</u>	<u>26</u>

**11. TAXATION**

	<b>2020</b>	2019
	<b>£</b>	£
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<b>71,250</b>	227,768
Adjustments in respect of previous periods	<b>(158,874)</b>	-
Group taxation relief	<b>3,601</b>	-
	<u><b>(84,023)</b></u>	<u>227,768</u>
<b>TOTAL CURRENT TAX</b>	<u><b>(84,023)</b></u>	<u>227,768</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>(6,395)</b>	447
<b>TOTAL DEFERRED TAX</b>	<u><b>(6,395)</b></u>	<u>447</u>
<b>TOTAL TAX (CREDIT)/CHARGE FOR THE YEAR</b>	<u><b>(90,418)</b></u>	<u>228,215</u>



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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX (CREDIT)/CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	<b>2020</b>	2019
	<b>£</b>	£
Profit on ordinary activities before tax	<u><b>249,484</b></u>	<u>1,056,407</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>47,402</b>	200,717
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	<b>2,496</b>	3,241
Depreciation in excess of capital allowances	<b>126</b>	-
Capital allowances in excess of depreciation	-	(1,370)
Other fixed asset differences	<b>1,077</b>	-
Other short term timing differences	<b>23,750</b>	25,180
Adjustments in respect of previous periods	<b>(158,874)</b>	-
Group relief claimed	<b>(3,601)</b>	-

Payment for group relief	<b>3,601</b>	-
Deferred tax (credit)/charge	<b>(6,395)</b>	447
<b>TOTAL TAX (CREDIT)/CHARGE FOR THE YEAR</b>	<b><u>(90,418)</u></b>	<b><u>228,215</u></b>

**12. DIVIDENDS**

	<b>2020</b>	2019
	<b>£</b>	£
Dividends paid on equity capital	<u>-</u>	<u>1,000,000</u>

**13. TANGIBLE FIXED ASSETS**

	<b>Office equipment £</b>
<b>COST</b>	
At 1 July 2019	<b>133,319</b>
Additions	<b>16,153</b>
At 30 June 2020	<b>149,472</b>
<b>DEPRECIATION</b>	
At 1 July 2019	<b>91,122</b>
Charge for the year	<b>18,335</b>
At 30 June 2020	<b>109,457</b>
<b>NET BOOK VALUE</b>	
At 30 June 2020	<b>40,015</b>
<b>At 30 June 2019</b>	<b>42,197</b>

**14. STOCKS**

	<b>2020 £</b>	2019 £
Raw materials and consumables	<b>11,610</b>	11,610
Work in progress - construction contracts	<b>12,985</b>	40,859
	<b>24,595</b>	52,469

Stock recognised in cost of sales during the year as an expense was £4,074,587 (2019 - £5,535,185).

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	2019
	<b>£</b>	£
Trade debtors	<b>2,541,100</b>	3,362,871
Amounts owed by group undertakings	-	291,478
Other debtors	<b>110,952</b>	210,257
Prepayments	<b>66,891</b>	69,553
	<u><b>2,718,943</b></u>	<u>3,934,159</u>

**16. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	2019
	<b>£</b>	£
Cash at bank and in hand	<u><b>3,002,177</b></u>	<u>2,905,518</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	2019
	<b>£</b>	£
Trade creditors	<b>930,503</b>	1,499,260
Amounts owed to group undertakings	<b>271,796</b>	225,000
Corporation tax	<b>96,448</b>	227,768
Other taxation and social security	<b>136,215</b>	172,957
Other creditors	<b>197,927</b>	209,428
Accruals	<b>1,615,977</b>	2,396,573
	<u><b>3,248,866</b></u>	<u>4,730,986</u>

Amounts owed to group undertakings are secured by a debenture over all assets of the Company.

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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**18. FINANCIAL INSTRUMENTS**

	<b>2020</b>	2019
	<b>£</b>	£
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	<b>3,002,177</b>	2,905,518
Financial assets that are debt instruments measured at amortised cost	<b>2,612,060</b>	3,693,904

5,614,237                      6,599,422

**FINANCIAL LIABILITIES**

Financial liabilities measured at amortised cost 2,644,599                      4,328,099

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors (excluding directors' loan accounts).

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors (excluding directors' loan accounts) and accruals.

**19. DEFERRED TAXATION**

	<b>2020</b> <b>£</b>	2019 <b>£</b>
At beginning of year	<b>6,395</b>	5,948
Charged to profit or loss	<b>(6,395)</b>	447
<b>AT END OF YEAR</b>	<u>-</u>	<u>6,395</u>

The deferred taxation balance is made up as follows:

	<b>2020</b> <b>£</b>	2019 <b>£</b>
Accelerated capital allowances	-	7,173
Short term timing differences	-	(778)
	<u>-</u>	<u>6,395</u>



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**DURMAN STEARN (CIVIL ENGINEERING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. SHARE CAPITAL**

	<b>2020</b>	2019
	<b>£</b>	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
200 (2019 - 200) Ordinary shares shares of £1 each	<u><b>200</b></u>	<u>200</u>

**21. RESERVES**

**Profit and loss account**

This reserve includes all current and prior period retained profits and losses.

**22. PENSION COMMITMENTS**

The Company operates defined contribution schemes for the directors and the employees. The assets of the schemes are held separately from those of the Company in independently administered funds. Pension contributions during the year amounted to £176,597 (2019 - £275,570) and as at the balance sheet date £4,411 was unpaid and included within other creditors (2019 - £4,842).

**23. COMMITMENTS UNDER OPERATING LEASES**

At 30 June 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Not later than 1 year	<b>320</b>	320
Later than 1 year and not later than 5 years	<b>640</b>	960
	<u><b>960</b></u>	<u>1,280</u>

**24. TRANSACTIONS WITH DIRECTORS**

Mr M T Boyle is a director and as at 30 June 2020 he owed the Company the sum of £39,992 (2019 - £39,555). This balance is repayable on demand and interest was charged at a rate of 2.5% per annum. The total interest for the year amounted to £977 (2019 - £976).



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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. RELATED PARTY TRANSACTIONS**

The parent company prepares consolidated group accounts and, accordingly, the Company has taken advantage of the exemptions contained within FRS 102 paragraph 33.1A not to disclose transactions with group undertakings.

During the year the Company was charged rent of £34,320 (2019 - £34,320) by Mr J A Durman, a director and the ultimate controlling shareholder, for its occupation of office and workshop premises. As at 30 June 2020 the Company owed Mr J A Durman a balance of £1,106 (2019 - £2,162), which is included within other creditors. This balance is interest free and repayable on demand.

During the year the Company was charged rent of £10,417 (2019 - £25,000) for the use of storage facilities by Durman Stearn (Civil Engineering) Limited Executive Pension Scheme, a pension scheme in which Mr J A Durman, a director and the ultimate controlling shareholder, is trustee and holds a beneficial interest.

**26. CONTROLLING PARTY**

The immediate and ultimate parent undertaking is Durman Stearn Holdings Limited, a company incorporated in England and Wales, which holds 100% of the Company's issued share capital.

The ultimate controlling party is Mr J A Durman by virtue of his majority shareholding in Durman Stearn Holdings Limited.