

**JJ MCGINLEY LIMITED**

**Annual Report and Financial Statements**

**For the year ended 28 December 2012**

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**REPORT AND FINANCIAL STATEMENTS 2012**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

M J Joyce (resigned 5 March 2012)  
J J Flood (resigned 19 July 2013)  
I E Fraser (resigned 8 April 2013)  
D Arnold (appointed 11 October 2012, resigned 8 April 2013)  
A Nelson (appointed 8 April 2013)  
M Ewell (appointed 8 April 2013)

**COMPANY SECRETARY**

Sherard Secretariat Services Limited

**REGISTERED OFFICE**

Lancaster House  
Centurion Way  
Leyland  
Lancashire  
PR26 6TX

**AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 28 December 2012

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006

### **ACTIVITIES**

The principal activity of the company is that of building maintenance contractors

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

As noted in the previous year financial statements, following the completion of a number of contracts in 2011 the company no longer tender for new work. The results in the year reflect final account adjustments on prior year contracts

The balance sheet of the company is shown on page 7

### **RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES**

The profit after tax for the year ended 28 December 2012 is £143,731 (2011 £707,582)

No dividends were paid in the year (2011 £nil). The retained profit for the year of £143,731 (2011 £707,582) has been transferred to reserves

### **POST BALANCE SHEET EVENT**

On 8 April 2013, Ferrovial Servicios, S A completed the acquisition of the whole of the issued share capital of Enterprise plc (now Enterprise Limited)

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's business model is based on delivering building maintenance services to customers in the public sector. The company is therefore exposed to credit risk although this is mitigated by the high proportion of sales to local government/national government bodies. There are controls in place over other customer acceptance, invoicing and cash collection

### **GOING CONCERN**

Following the completion of the company's main contracts, the directors consider the company's trade to be from discontinued operations and the financial statements have therefore been prepared on a basis other than as a going concern

### **DIRECTORS**

The directors who served during the year and thereafter are set out on page 1

### **EMPLOYMENT**

It is the company's policy to provide employees with relevant information on a regular basis and to seek their views on matters that concern them. The company's aims, objectives and financial performance are communicated through management briefings and other less formal communications

The company's policy is to provide, whenever possible, employment opportunities for disabled people to encourage and assist their recruitment, training, career development and promotion and to retain employees who become disabled. The company also operates an equal opportunities policy

**DIRECTORS' REPORT (continued)**

**ENVIRONMENT**

Enterprise Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce the damage that might be caused by the Enterprise Group's activities. Incentives designed to minimise the company's impact on the environment include recycling and reducing energy consumption.

**AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Deloitte LLP have signified their willingness to continue in office and a resolution to reappoint them as the company's auditor will be proposed at the forthcoming Annual General Meeting.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Approved by the Board of Directors  
and signed by order of the Board,



For and on behalf of

*Paul Blean*

Sherard Secretariat Services Limited  
(Corporate Company Secretary)

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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 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 and then apply them consistently,
- make judgments 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, 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JJ MCGINLEY LIMITED**

We have audited the financial statements of JJ McGinley Limited for the year ended 28 December 2012 which comprise profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 December 2012 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.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JJ MCGINLEY LIMITED (continued)**

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

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, 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, or
- The directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



**Emma Cox BA ACA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

**31 July** 2013



**JJ MCGINLEY LIMITED****PROFIT AND LOSS ACCOUNT**  
**Year ended 28 December 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	1	55,985	5,580,133
Cost of sales		91,100	(3,851,671)
		<u>147,085</u>	<u>1,728,462</u>
<b>GROSS PROFIT</b>		147,085	1,728,462
Administrative expenses		(705)	(1,021,480)
		<u>146,380</u>	<u>706,982</u>
<b>OPERATING PROFIT</b>	3	146,380	706,982
Interest receivable and similar income	4	-	1,866
		<u>146,380</u>	<u>708,848</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		146,380	708,848
Tax on profit on ordinary activities	5	(10,546)	(1,266)
		<u>135,834</u>	<u>707,582</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	10	<u>135,834</u>	<u>707,582</u>

The above results all relate to discontinued operations

The company has no recognised gains or losses other than the profit for the current and prior year shown above Accordingly, a separate statement of total recognised gains and losses has not been prepared

In addition, there were no other movements in shareholder's funds and as a consequence a reconciliation of movements in shareholder's funds has not been presented

**BALANCE SHEET**  
**As at 28 December 2012**

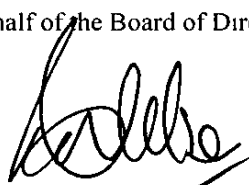
	Note	£	2012 £	£	2011 £
<b>CURRENT ASSETS</b>					
Debtors Amounts falling due within one year	6	2,995,868		3,288,353	
Cash at bank and in hand		1,126,995		1,832,915	
		<u>4,122,863</u>		<u>5,121,268</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(504,431)</u>		<u>(1,638,670)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,618,432</u>		<u>3,482,598</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>BEING NET ASSETS</b>			<u>3,618,432</u>		<u>3,482,598</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		245,000		245,000
Profit and loss account	10		3,373,432		3,237,598
<b>SHAREHOLDER'S FUNDS</b>			<u>3,618,432</u>		<u>3,482,598</u>

These financial statements have been prepared in accordance with the special provision relating to small companies subject to the small companies regime

These financial statements were approved by the Board of Directors on 24 JULY 2013

Signed on behalf of the Board of Directors

Name



Director

ANDREW NELSON

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 28 December 2012**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards which have been consistently applied throughout the current and prior year. The particular accounting policies are described below. The financial statements are prepared under the historical cost convention.

The accounts of the company, and that of the majority of the companies in the group headed by Enterprise Group Holdings Limited, are prepared to the last Friday of the calendar year which in 2012 was 28 December. In line with Companies Act guidelines, the accounts have been prepared at 28 December, with an accounting reference date of 31 December. In the prior year, whilst the year finished on Friday 29 December, the accounts were prepared to the accounting reference date 31 December given there was no trade carried out in the intervening period.

Throughout the financial statements, Directors' Report and references to 2012 mean at 28 December 2012, references to 2011 mean at 29 December 2011.

**Basis of preparation – going concern**

As required by FRS18 "Accounting Policies", the directors have prepared the financial statements on the basis that the company is no longer a going concern as the company no longer trades. No adjustments arise out of this decision.

**Turnover**

All turnover arose in the UK. Where the outcome of the contract can be estimated reliably, revenue and cost are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of total costs at the balance sheet date to the estimated total cost of the contract. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**Long term contracts**

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in trade creditors as payments on accounts.

**Leases**

Operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pensions**

The company participates in several defined contribution schemes operated by Enterprise Group Holdings Limited. Contributions to defined contribution pension schemes are charged to the profit and loss account of the accounting year to which the contributions relate.

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred which result in an obligation to pay more or less tax in the future.

**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 28 December 2012**

**1. ACCOUNTING POLICIES (continued)**

**Taxation (continued)**

Deferred tax is measured at the average tax rates which apply in the period in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be adequate future taxable profits against which to recover carried forward tax losses.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Directors' emoluments</b>		
Remuneration	-	17,167
Company contributions to money purchase pension schemes	-	3,917
	<u>-</u>	<u>21,084</u>
	<b>No.</b>	<b>No.</b>
Number of directors in the pension scheme	<u>-</u>	<u>-</u>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed (including executive directors)</b>		
Operatives	3	25
Management and administration	4	35
	<u>7</u>	<u>60</u>
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year (excluding directors)</b>		
Wages and salaries	252,191	1,803,664
Social security costs	18,166	166,681
Pension costs	1,537	18,725
	<u>271,894</u>	<u>1,989,070</u>

**3. OPERATING PROFIT**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is stated after charging</b>		
Operating lease rentals - property	<u>-</u>	<u>74,649</u>

The operating lease rental relates to a lease on a building held with a fellow group subsidiary, and the obligation is with that company.

Auditor's remuneration for the audit of the company's annual financial statements and non-audit services has been borne by another group company (2011 same).

**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 28 December 2012**

**4 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2012 £	2011 £
Intra group interest	-	1,866

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2012 £	2011 £
United Kingdom corporation tax at 24.5% (2011: 26.5%)	-	-
<i>Deferred tax</i>		
Effect of change of rate	727	896
Deferred tax charge – current year	1,912	2,795
Deferred tax credit – prior year	7,907	(2,425)
<b>Total tax charge for the year</b>	<b>10,546</b>	<b>1,266</b>

The current tax assessed for the year is lower (2011: lower) than that resulting from applying the standard rate of corporation tax in the UK at 24.5% (last year: 26.5%)

The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	146,370	708,848
Tax at 24.5% (2011: 26.5%) thereon	35,863	187,845
Effects of		
Group relief claimed	(33,951)	(185,050)
Difference between depreciation and capital allowances	(1,912)	(2,795)
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

**6. DEBTORS**

	2012 £	2011 £
<b>Amounts due within one year</b>		
Trade debtors	194,030	253,700
Amounts recoverable on contracts	155,087	611,363
Deferred tax (see note 8)	-	10,546
Prepayments and accrued income	1,754	5,980
Amounts due from parent company	2,644,997	2,406,764
	<b>2,995,868</b>	<b>3,288,353</b>

**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 28 December 2012**

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

	2012 £	2011 £
Payments received on account	-	28,638
Trade creditors	484,281	1,106,483
Taxation and social security	-	154,253
Other creditors and accruals	20,150	349,296
	<u>504,431</u>	<u>1,638,670</u>

**8. DEFERRED TAXATION**

	£
Balance at 1 January 2012 - asset	10,546
Charge to profit and loss account	(10,546)
Balance at 28 December 2012- asset	<u>-</u>

The analysis of the deferred tax asset is as follows

	2012 £	2011 £
Depreciation in excess of capital allowances	<u>-</u>	<u>10,546</u>

Unprovided deferred tax at 28 December 2012 of £7,907 relates to fixed asset timing differences

**9. CALLED UP SHARE CAPITAL**

	2012 £	2011 £
<b>Called up, allotted and fully paid</b> 245,000 (2011 245,000) ordinary shares of £1 each	<u>245,000</u>	<u>245,000</u>

**10. RESERVES**

	Profit and loss account £
Balance at 1 January 2012	3,237,598
Profit for the financial year	135,834
Balance at 28 December 2012	<u>3,373,432</u>

**11. ULTIMATE PARENT COMPANY**

During the year, the company's ultimate parent company and controlling party is Enterprise Group Holdings Limited, a company registered in England and Wales

As noted in the director's report, on 8 April 2013 the whole of the issued share capital of Enterprise Limited (formerly Enterprise plc) of which this company is a wholly owned subsidiary, was acquired by Ferrovial Servicios, S A. Following the sale the ultimate holding company is Ferrovial, S A

**NOTES TO FINANCIAL STATEMENTS (continued)**  
**Year ended 28 December 2012**

**12. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" and has not disclosed transactions with other wholly owned undertakings within the Enterprise Group

**13. CONTINGENT LIABILITIES**

The company was party to a composite guarantee and mortgage debenture in favour of Lloyds TSB Bank plc to secure the borrowings of Enterprise Limited (formerly Enterprise plc) At 28 December 2012 the gross borrowings of Enterprise Limited (formerly Enterprise plc) secured by this guarantee were £597.9m (2011 £605m)

Following the sale to Ferrovial Servicios S A , the guarantee no longer exists