

Registered number
03222384

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Report and Accounts

31 January 2007

Brian G Lonis and Co
12E Manor Road
London
N16 5SA

Accountants and Auditors

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Report and accounts
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CHIGWELL CONSTRUCTION (LONDON) LIMITED
Company Information

Directors

D A Floyd Esq
Mrs S D Floyd

Secretary

Mrs S D Floyd

Auditors

Brian G Lonis & Co
12E Manor Road
London
N16 5SA

Bankers

196 Oxford Street
London
W1D 1NT

National Westminster Bank Plc
4 - 5 High Street
Chelmsford
CM1 1FZ

Registered office

12E Manor Road
London
N16 5SA

Registered number

03222384

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Directors' Report

The directors present their report and accounts for the year ended 31 January 2007.

Principal activities and review of the business

The company's principal activity during the year during the year continued to be of building contractors and property developers.

The company is in a good position to take advantage of any opportunities which may arise in the future.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales.

Directors

The following directors served during the year:

D A Floyd Esq
Mrs S D Floyd

Political and charitable donations

During the year, the company made a various charitable contributions totalling £15,870 (2006 £11,703).

Disclosure of information to auditors

So far as each director at the date of approval of this report is 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.

This report was approved by the board on 18 December 2007.

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D A Floyd Esq
Director

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Independent auditors' report
to the shareholders of CHIGWELL CONSTRUCTION (LONDON) LIMITED

We have audited the accounts of Chigwell Construction London Limited for the year ended 31st January 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts 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 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts 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 accounts 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 accounts.

In addition we report to you if, in our opinion, 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 with the company 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st January 2007 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

.....

P M Randall
Registered auditor
18 December 2007

Brian G Lonis and Co
12E Manor Road
London
N16 5SA

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Profit and Loss Account
for the year ended 31 January 2007

	Notes	2007 £	2006 £
Turnover	2	4,285,705	3,930,407
Cost of sales		(3,363,667)	(3,158,154)
Gross profit		<u>922,038</u>	<u>772,253</u>
Administrative expenses		(741,994)	(561,008)
Other operating income		46,408	68,354
Operating profit	3	<u>226,452</u>	<u>279,599</u>
Exceptional items:			
profit/(loss) on the disposal of tangible fixed assets	4	<u>4,072</u>	<u>(4,044)</u>
		<u>230,524</u>	<u>275,555</u>
Interest receivable		580	961
Interest payable	6	(116,817)	(132,402)
Profit on ordinary activities before taxation		<u>114,287</u>	<u>144,114</u>
Tax on profit on ordinary activities	7	(26,609)	(49,175)
Profit for the financial year		<u>87,678</u>	<u>94,939</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Balance Sheet
as at 31 January 2007

	Notes	2007	2006
		£	£
Fixed assets			
Tangible assets	8	764,881	326,878
Current assets			
Stock and work in progress	9	1,975,293	2,002,000
Debtors	10	1,282,601	1,381,624
Cash at bank and in hand		1,360	1,400
		<u>3,259,254</u>	<u>3,385,024</u>
Creditors: amounts falling due within one year	11	(3,376,586)	(3,173,189)
Net current (liabilities)/assets		<u>(117,332)</u>	<u>211,835</u>
Total assets less current liabilities		<u>647,549</u>	<u>538,713</u>
Creditors: amounts falling due after more than one year	12	(344,452)	(134,299)
Net assets		<u>303,097</u>	<u>404,414</u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Revaluation reserve	15	(188,995)	-
Profit and loss account	16	442,092	354,414
Shareholders' funds	17	<u>303,097</u>	<u>404,414</u>

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D A Floyd Esq
Director
Approved by the board on 18 December 2007

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Cash Flow Statement
for the year ended 31 January 2007

	Notes	2007 £	2006 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		226,452	-
Depreciation charges		14,891	-
Decrease in stocks		26,707	-
Decrease in debtors		99,023	-
Decrease in creditors		(150,471)	-
Net cash inflow from operating activities		<u>216,602</u>	<u>-</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		216,602	-
Returns on investments and servicing of finance	18	(116,237)	-
Taxation		(49,175)	-
Capital expenditure	18	<u>(358,584)</u>	<u>-</u>
		(307,394)	-
Financing	18	559,001	-
Increase in cash		<u>251,607</u>	<u>-</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(85,626)	-
Increase in debt and lease financing		(559,001)	-
Change in net debt	19	<u>(644,627)</u>	<u>-</u>
Net debt at 1 February		<u>(1,873,940)</u>	<u>(1,873,940)</u>
Net debt at 31 January		<u>(2,518,567)</u>	<u>(1,873,940)</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Notes to the Accounts
for the year ended 31 January 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold land and buildings	over the lease term
Plant and machinery	20% Reducing balance method
Motor vehicles	25% Reducing balance method

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations 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.

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

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

3 Operating profit	2007	2006
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	14,891	9,231
Depreciation of assets held under finance leases and hire purchase contracts	113,346	108,754
Auditors' remuneration for audit services	3,000	3,000

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Notes to the Accounts
for the year ended 31 January 2007

Auditors' remuneration for other services	9,000	13,601
4 Exceptional items	2007	2006
	£	£
Profit/(loss) on disposal of motor vehicles	4,072	(4,044)
5 Staff costs	2007	2006
	£	£
Wages and salaries	35,580	27,606
Social security costs	3,911	-
	39,491	27,606
Average number of employees during the year	Number	Number
Administration	7	6
Sales	3	3
	10	9
6 Interest payable	2007	2006
	£	£
Bank loans and overdrafts	94,737	115,268
Other loans	17,070	17,134
Finance charges payable under finance leases and hire purchase contracts	5,010	-
	116,817	132,402
7 Taxation	2007	2006
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	26,609	49,175
	26,609	49,175
Tax on profit on ordinary activities	26,609	49,175
Factors affecting tax charge for period		
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:		
	2007	2006
	£	£
Profit on ordinary activities before tax	114,287	144,114
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	34,286	43,234
Effects of:		
Expenses not deductible for tax purposes	(7,677)	5,941
Current tax charge for period	26,609	49,175

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Notes to the Accounts
for the year ended 31 January 2007

8 Tangible fixed assets

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 February 2006	-	36,414	72,738	526,491	109,152
Additions	299,830	39,140	19,614	290,363	358,584
Disposals	-	-	-	(277,437)	(277,437)
At 31 January 2007	<u>299,830</u>	<u>75,554</u>	<u>92,352</u>	<u>539,417</u>	<u>1,007,153</u>
Depreciation					
At 1 February 2006	-	1,334	27,025	280,406	308,765
Charge for the year	-	1,634	13,257	113,346	128,237
On disposals	-	-	-	(194,730)	(194,730)
At 31 January 2007	<u>-</u>	<u>2,968</u>	<u>40,282</u>	<u>199,022</u>	<u>242,272</u>
Net book value					
At 31 January 2007	<u>299,830</u>	<u>72,586</u>	<u>52,070</u>	<u>340,395</u>	<u>764,881</u>
At 31 January 2006	<u>-</u>	<u>35,080</u>	<u>45,713</u>	<u>246,085</u>	<u>80,793</u>

9 Stocks

	2007 £	2006 £
Work in progress	<u>1,975,293</u>	<u>2,002,000</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10 Debtors

	2007 £	2006 £
Trade debtors	1,004,086	1,018,947
Amounts owed by group undertakings and undertakings in which the company has a participating interest	238,237	336,903
Other debtors	<u>40,278</u>	<u>25,774</u>
	<u>1,282,601</u>	<u>1,381,624</u>

11 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	2,041,306	1,591,499
Obligations under finance lease and hire purchase contracts	134,169	149,542
Payments on account on long term contracts	19,123	102,837
Trade creditors	596,999	384,794
Amounts owed to group undertakings and undertakings in which the company has a participating interest	277,019	464,800
Corporation tax	26,609	49,175
Other taxes and social security costs	62,263	7,325
Other creditors	199,473	415,697
Accruals and deferred income	<u>19,625</u>	<u>7,520</u>
	<u>3,376,586</u>	<u>3,173,189</u>

12 Creditors: amounts falling due after one year

	2007 £	2006 £
Bank loans	219,393	-
Obligations under finance lease and hire purchase contracts	<u>125,059</u>	<u>134,299</u>
	<u>344,452</u>	<u>134,299</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Notes to the Accounts
for the year ended 31 January 2007

13 Obligations under finance leases and hire purchase contracts			2007	2006
			£	£
Amounts payable:				
Within one year			134,169	149,542
Within two to five years			125,059	134,299
			<u>259,228</u>	<u>283,841</u>
14 Share capital			2007	2006
			£	£
Authorised:				
Ordinary shares of £1 each			<u>50,000</u>	<u>50,000</u>
	2007	2006	2007	2006
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	50,000	50,000	<u>50,000</u>	<u>50,000</u>
15 Revaluation reserve			2007	2006
			£	£
Arising on revaluation during the year			(188,995)	-
At 31 January			<u>(188,995)</u>	<u>-</u>
16 Profit and loss account			2007	2006
			£	£
At 1 February			354,414	259,475
Profit for the financial year			87,678	94,939
At 31 January			<u>442,092</u>	<u>354,414</u>
17 Reconciliation of movement in shareholders' funds			2007	2006
			£	£
At 1 February			404,414	309,475
Profit for the financial year			87,678	94,939
Other recognised gains and losses			(188,995)	-
At 31 January			<u>303,097</u>	<u>404,414</u>
18 Gross cash flows			2007	2006
			£	£
Returns on investments and servicing of finance				
Interest received			580	-
Interest paid			(111,807)	-
Interest element of finance lease rental payments			(5,010)	-
			<u>(116,237)</u>	<u>-</u>
Capital expenditure				
Payments to acquire tangible fixed assets			<u>(358,584)</u>	<u>-</u>
Financing				
Loan repayments			583,614	-
Capital element of finance lease rental payments			(24,613)	-
			<u>559,001</u>	<u>-</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED**Notes to the Accounts****for the year ended 31 January 2007****19 Analysis of changes in net debt**

	At 1 Feb 2006 £	Cash flows £	Non-cash changes £	At 31 Jan 2007 £
Cash at bank and in hand	1,400	(40)		1,360
Overdrafts	(39,226)	(85,586)		(124,812)
		(85,626)		
Debt due within 1 year	(1,552,273)	(364,221)		(1,916,494)
Debt due after 1 year	-	(219,393)		(219,393)
Finance leases	(283,841)	24,613		(259,228)
		(559,001)		
Total	<u>(1,873,940)</u>	<u>(644,627)</u>	<u>-</u>	<u>(2,518,567)</u>

20 Related parties

During the year there were transactions with business undertakings in which the director, Mr D A Floyd has controlling interests. At the balance sheet date, the amounts due from Floyd & Son Funeral Directors Limited £55,922, Youngs Road Plc £161,120 and Tiles Direct (UK) Limited £21,195. The amounts owed at the balance sheet date were Greenleaf Estates Limited £201,419, and Deucroft Properties Limited £75,600.

21 Controlling party

The ultimate controlling party is that of Mr D A Floyd, as he holds all of the majority of the Issued share capital.

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Profit and Loss Account
for the year ended 31 January 2007
for the information of the directors only

	2007	2006
	£	£
Sales	4,285,705	3,930,407
Cost of sales	(3,363,667)	(3,158,154)
Gross profit	<u>922,038</u>	<u>772,253</u>
Administrative expenses	(741,994)	(561,008)
Other operating income	46,408	68,354
Operating profit	<u>226,452</u>	<u>279,599</u>
Exceptional items	4,072	(4,044)
Interest receivable	580	961
Interest payable	(116,817)	(132,402)
Profit before tax	<u>114,287</u>	<u>144,114</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Schedule to the Profit and Loss Account
for the year ended 31 January 2007
for the information of the directors only

	2007	2006
	£	£
Sales		
Sales	<u>4,285,705</u>	<u>3,930,407</u>
Cost of sales		
Purchases	1,479,355	2,146,240
Opening stock and work in progress	2,002,000	1,236,627
Subcontractor costs	1,568,250	1,082,306
Direct costs	77,411	402,327
Wages and salaries	211,944	292,654
Closing stock and work in progress	<u>(1,975,293)</u>	<u>(2,002,000)</u>
	<u>3,363,667</u>	<u>3,158,154</u>
Administrative expenses		
Employee costs:		
Directors' salaries	35,580	27,606
Employer's NI	3,911	-
Staff training and welfare	2,215	2,509
Travel and subsistence	7,882	990
Motor expenses	92,173	66,021
Entertaining and hospitality	<u>61,469</u>	<u>10,646</u>
	<u>203,230</u>	<u>107,772</u>
Premises costs:		
Rent and rates	20,095	23,750
Light and heat	3,300	3,707
Cleaning and removal of industrial waste	<u>42,298</u>	<u>24,047</u>
	<u>65,693</u>	<u>51,504</u>
General administrative expenses:		
Telephone and fax	31,978	29,033
Printing, postage and stationery	22,709	28,222
Charitable donations	15,870	11,703
Subscriptions	3,524	6,829
Bank charges	12,679	28,213
Factoring charges	50,637	-
Insurance	40,758	25,660
Equipment hire	40,994	14,403
Computer running costs	9,326	28,441
Repairs and maintenance	2,535	24,025
Depreciation	126,003	117,985
Amortisation on short leasehold	1,634	667
Sundry expenses	<u>1,805</u>	<u>24,463</u>
	<u>360,452</u>	<u>339,644</u>
Legal and professional costs:		
Audit fees	3,000	3,000
Accountancy fees	9,000	13,601
Consultancy fees	13,270	2,117
Management fees	-	17,400
Advertising and PR	46,124	1,765
Other legal and professional	<u>41,225</u>	<u>24,205</u>
	<u>112,619</u>	<u>62,088</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Schedule to the Profit and Loss Account
for the year ended 31 January 2007
for the information of the directors only

	2007	2006
	£	£
	<u>741,994</u>	<u>561,008</u>
Other operating income		
Other operating income	-	68,354
Insurance claims	2,687	-
Reimbursed expenses	4,160	-
Rent receivable	<u>39,561</u>	<u>-</u>
	<u>46,408</u>	<u>68,354</u>