

Registered number
03222384

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Report and Accounts

31 January 2008

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

Accountants

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8 to 12

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Company Information

Directors

D A Floyd Esq
Mrs S D Floyd

Secretary

Mrs S D Floyd

Accountants

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

Registered Auditors

PM Randall and Co
PO Box 131
Harold Hill
Romford
Essex
RM3 9LX

Bankers

HSBC
196 Oxford Street
London
W1D 1NT

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

Registered office

Aaron House
Unit 8, Hainault
Business Park
Forest Road
Hainault
Essex
IG6 3JP

Registered number

03222384

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Directors' Report

The directors present their report and accounts for the year ended 31 January 2008.

Principal activities and review of the business

The company's principal activity during the year continued to be that 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 £24,151 (2007 £15,870).

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 30 July 2008.

.....

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 2008 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 2008 and of its loss 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
30 July 2008

PM Randall and Co
PO Box 131
Harold Hill
Romford
Essex
RM3 9LX

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Profit and Loss Account
for the year ended 31 January 2008

	Notes	2008 £	2007 £
Turnover	2	4,799,789	4,285,705
Cost of sales		(3,623,341)	(3,363,667)
Gross profit		<u>1,176,448</u>	<u>922,038</u>
Administrative expenses		(910,965)	(741,994)
Other operating income		12,080	46,408
Operating profit	3	<u>277,563</u>	<u>226,452</u>
Exceptional items:			
profit on the disposal of tangible fixed assets	4	<u>18,510</u>	<u>4,072</u>
		<u>296,073</u>	<u>230,524</u>
Interest receivable		307	580
Interest payable	6	(168,214)	(116,817)
Profit on ordinary activities before taxation		<u>128,166</u>	<u>114,287</u>
Tax on profit on ordinary activities	7	(39,160)	(26,609)
Profit for the financial year		<u>89,006</u>	<u>87,678</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 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	773,882	764,881
Current assets			
Stock and work in progress	9	2,790,000	1,975,293
Debtors	10	1,537,515	1,282,601
Cash at bank and in hand		1,799	1,360
		<u>4,329,314</u>	<u>3,259,254</u>
Creditors: amounts falling due within one year	11	(2,217,180)	(1,554,673)
Net current assets		<u>2,112,134</u>	<u>1,704,581</u>
Total assets less current liabilities		<u>2,886,016</u>	<u>2,469,462</u>
Creditors: amounts falling due after more than one year	12	(2,304,918)	(2,166,365)
Net assets		<u>581,098</u>	<u>303,097</u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Revaluation reserve	15	-	(188,995)
Profit and loss account	16	531,098	442,092
Shareholders' funds	17	<u>581,098</u>	<u>303,097</u>

.....

D A Floyd Esq
Director
Approved by the board on 30 July 2008

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Cash Flow Statement
for the year ended 31 January 2008

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		277,563	226,452
Depreciation charges		129,783	14,891
(Increase)/decrease in stocks		(814,707)	26,707
(Increase)/decrease in debtors		(254,914)	99,023
Increase/(decrease) in creditors		592,313	(150,471)
Net cash (outflow)/inflow from operating activities		<u>(69,962)</u>	<u>216,602</u>
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(69,962)	216,602
Returns on investments and servicing of finance	18	(167,907)	(116,237)
Taxation		(26,609)	(49,175)
Capital expenditure	18	<u>(194,450)</u>	<u>(358,584)</u>
		(458,928)	(307,394)
Financing	18	87,391	559,001
(Decrease)/increase in cash		<u>(371,537)</u>	<u>251,607</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(108,366)	(85,626)
Increase in debt and lease financing		(87,391)	(559,001)
Change in net debt	19	<u>(195,757)</u>	<u>(644,627)</u>
Net debt at 1 February		<u>(4,340,480)</u>	<u>(1,873,940)</u>
Net debt at 31 January		<u>(4,536,237)</u>	<u>(2,518,567)</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Notes to the Accounts

for the year ended 31 January 2008

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

	2008	2007
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	40,728	14,891
Depreciation of assets held under finance leases and hire purchase contracts	89,055	113,346
Auditors' remuneration for audit services	3,000	3,000
Auditors' remuneration for other services	7,000	9,000

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Notes to the Accounts

for the year ended 31 January 2008

4 Exceptional items	2008	2007
	£	£
Profit on disposal of motor vehicles	18,510	4,072
5 Staff costs	2008	2007
	£	£
Wages and salaries	35,620	35,580
Social security costs	3,891	3,911
	39,511	39,491
Average number of employees during the year	Number	Number
Administration	7	7
Sales	3	3
	10	10
6 Interest payable	2008	2007
	£	£
Bank loans and overdrafts	137,766	94,737
Other loans	13,143	17,070
Finance charges payable under finance leases and hire purchase contracts	17,305	5,010
	168,214	116,817
7 Taxation	2008	2007
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	39,160	26,609
Tax on profit on ordinary activities	39,160	26,609

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:

	2008	2007
	£	£
Profit on ordinary activities before tax	128,166	114,287
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	38,450	34,286
Effects of:		
Expenses not deductible for tax purposes	710	(7,677)
Current tax charge for period	39,160	26,609

8 Tangible fixed assets

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 February 2007	299,830	75,554	92,352	539,417	1,007,153
Additions	-	-	38,713	155,737	194,450

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Notes to the Accounts

for the year ended 31 January 2008

Disposals	-	-	-	(108,931)	(108,931)
At 31 January 2008	<u>299,830</u>	<u>75,554</u>	<u>131,065</u>	<u>586,223</u>	<u>1,092,672</u>
Depreciation					
At 1 February 2007	-	2,968	40,282	199,022	242,272
Charge for the year	-	1,511	18,155	110,117	129,783
On disposals	-	-	-	(53,265)	(53,265)
At 31 January 2008	<u>-</u>	<u>4,479</u>	<u>58,437</u>	<u>255,874</u>	<u>318,790</u>
Net book value					
At 31 January 2008	<u>299,830</u>	<u>71,075</u>	<u>72,628</u>	<u>330,349</u>	<u>773,882</u>
At 31 January 2007	<u>299,830</u>	<u>72,586</u>	<u>52,070</u>	<u>340,395</u>	<u>764,881</u>

9 Stocks	2008	2007
	£	£
Work in progress	2,790,000	1,975,293

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

10 Debtors	2008	2007
	£	£
Trade debtors	1,122,159	1,004,086
Amounts owed by group undertakings and undertakings in which the company has a participating interest	350,736	238,237
Other debtors	44,071	40,278
Prepayments and accrued income	<u>20,549</u>	<u>-</u>
	<u>1,537,515</u>	<u>1,282,601</u>

11 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank loans and overdrafts	251,718	219,393
Obligations under finance lease and hire purchase contracts	159,488	134,169
Directors current account	17,271	19,123
Trade creditors	943,313	596,999
Amounts owed to group undertakings and undertakings in which the company has a participating interest	277,019	277,019
Corporation tax	39,160	26,609
Other taxes and social security costs	246,966	62,263
Other creditors	272,245	199,473
Accruals and deferred income	<u>10,000</u>	<u>19,625</u>
	<u>2,217,180</u>	<u>1,554,673</u>

12 Creditors: amounts falling due after one year	2008	2007
	£	£
Bank loans	2,197,242	2,041,306
Obligations under finance lease and hire purchase contracts	<u>107,676</u>	<u>125,059</u>
	<u>2,304,918</u>	<u>2,166,365</u>

13 Obligations under finance leases and hire purchase contracts	2008	2007
	£	£
Amounts payable:		
Within one year	159,488	134,169
Within two to five years	<u>107,676</u>	<u>125,059</u>
	<u>267,164</u>	<u>259,228</u>

14 Share capital	2008	2007
-------------------------	-------------	-------------

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Notes to the Accounts

for the year ended 31 January 2008

			£	£
Authorised:				
Ordinary shares of £1 each			50,000	50,000
	2008	2007	2008	2007
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
15 Revaluation reserve			2008	2007
			£	£
At 1 February			(188,995)	
At 1 February			-	(188,995)
Movement during the year			188,995	-
At 31 January			-	(188,995)
16 Profit and loss account			2008	2007
			£	£
At 1 February			442,092	354,414
Profit for the financial year			89,006	87,678
At 31 January			531,098	442,092
17 Reconciliation of movement in shareholders' funds			2008	2007
			£	£
At 1 February			303,097	404,414
Profit for the financial year			89,006	87,678
Other recognised gains and losses			188,995	(188,995)
At 31 January			581,098	303,097
18 Gross cash flows			2008	2007
			£	£
Returns on investments and servicing of finance				
Interest received			307	580
Interest paid			(150,909)	(111,807)
Interest element of finance lease rental payments			(17,305)	(5,010)
			(167,907)	(116,237)
Capital expenditure				
Payments to acquire tangible fixed assets			(194,450)	(358,584)
Financing				
Loan repayments			79,455	583,614
Capital element of finance lease rental payments			7,936	(24,613)
			87,391	559,001
19 Analysis of changes in net debt				
	At 1 Feb	Cash flows	Non-cash	At 31 Jan 2008
	2007		changes	
	£	£	£	£
Cash at bank and in hand	1,360	439		1,799
Overdrafts	(124,812)	(108,805)		(233,617)
		(108,366)		
Debt due within 1 year	(1,916,494)	1,898,394		(18,100)
Debt due after 1 year	(2,041,306)	(1,977,849)		(2,197,242)
Finance leases	(259,228)	(7,936)		(267,164)
		(87,391)		
Total	(4,340,480)	(195,757)	-	(2,714,324)

CHIGWELL CONSTRUCTION (LONDON) LIMITED

Notes to the Accounts

for the year ended 31 January 2008

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 £74,225, Grosvenor Real Estates (UK) Limited £32,857, Youngs Road Plc £182,150 and Tiles Direct (UK) Limited £61,505. 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 2008
for the information of the directors only

	2008	2007
	£	£
Sales	4,799,789	4,285,705
Cost of sales	(3,623,341)	(3,363,667)
Gross profit	<u>1,176,448</u>	<u>922,038</u>
Administrative expenses	(910,965)	(741,994)
Other operating income	12,080	46,408
Operating profit	<u>277,563</u>	<u>226,452</u>
Exceptional items	18,510	4,072
Interest receivable	307	580
Interest payable	(168,214)	(116,817)
Profit before tax	<u>128,166</u>	<u>114,287</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Schedule to the Profit and Loss Account
for the year ended 31 January 2008
for the information of the directors only

	2008	2007
	£	£
Sales		
Sales	<u>4,799,789</u>	<u>4,285,705</u>
Cost of sales		
Purchases	2,402,654	1,479,355
Opening stock and work in progress	1,975,293	2,002,000
Subcontractor costs	1,642,732	1,568,250
Direct costs	82,588	77,411
Wages and salaries	310,074	211,944
Closing stock and work in progress	<u>(2,790,000)</u>	<u>(1,975,293)</u>
	3,623,341	3,363,667
Administrative expenses		
Employee costs:		
Directors' salaries	35,620	35,580
Employer's NI	3,891	3,911
Staff training and welfare	6,792	2,215
Travel and subsistence	8,807	7,882
Motor expenses	99,215	92,173
Entertaining and hospitality	85,107	61,469
	<u>239,432</u>	<u>203,230</u>
Premises costs:		
Rent and rates	36,375	20,095
Light and heat	15,163	3,300
Cleaning and removal of industrial waste	57,500	42,298
	<u>109,038</u>	<u>65,693</u>
General administrative expenses:		
Telephone and fax	57,209	31,978
Printing, postage and stationery	35,437	22,709
Charitable donations	24,151	15,870
Subscriptions	14,273	3,524
Bank charges	26,031	12,679
Factoring charges	66,327	50,637
Insurance	25,073	40,758
Equipment hire	25,730	40,994
Computer running costs	17,365	9,326
Repairs and maintenance	13,512	2,535
Depreciation	128,272	126,003
Amortisation on short leasehold	1,511	1,634
Interest on corporation tax	1,090	-
Sundry expenses	5,011	1,805
	<u>440,992</u>	<u>360,452</u>
Legal and professional costs:		
Audit fees	3,000	3,000
Accountancy fees	7,000	9,000
Consultancy fees	2,538	13,270
Bookkeeping fees	17,569	-
Advertising and PR	65,024	46,124
Other legal and professional	26,372	41,225
	<u>121,503</u>	<u>112,619</u>

CHIGWELL CONSTRUCTION (LONDON) LIMITED
Schedule to the Profit and Loss Account
for the year ended 31 January 2008
for the information of the directors only

	2008	2007
	£	£
	<u>910,965</u>	<u>741,994</u>
Other operating income		
Insurance claims	-	2,687
Reimbursed expenses	-	4,160
Rent receivable	12,080	39,561
	<u>12,080</u>	<u>46,408</u>