

Registered number  
03222384

CHIGWELL CONSTRUCTION ( LONDON) LIMITED

Report and Accounts

31 January 2009

**Brian G Lonis and Co**  
**12 E 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**

**Director**

D A Floyd Esq

**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**

12E Manor Road  
London  
N16 5SA

**Registered number**

03222384

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Director's Report**

The director presents his report and accounts for the year ended 31 January 2009.

**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.

**Directors**

The following persons served as directors during the year:

D A Floyd Esq

**Disclosure of information to auditors**

The director confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he 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.

This report was approved by the board on.....

.....  
**D A Floyd Esq**  
**Director**

## **CHIGWELL CONSTRUCTION ( LONDON) LIMITED**

### **Statement of Director's Responsibilities**

The director is responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the director to prepare accounts for each financial year. Under that law the director has 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 director is 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 director is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 2006. He is 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 31 January 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 Section 495 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Director's Responsibilities, the director is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts.

#### **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 January 2009 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.

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

In our opinion the information given in the Director's Report for the financial year for which the accounts are prepared is consistent with the accounts.

#### **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 accounts 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.

.....  
**PM Randall**  
**Registered auditor**

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 2009**

	Notes	2009 £	2008 £
<b>Turnover</b>	2	7,625,745	4,799,789
Cost of sales		(6,463,081)	(3,623,341)
<b>Gross profit</b>		<u>1,162,664</u>	<u>1,176,448</u>
Administrative expenses		(867,280)	(910,965)
Other operating income		22,698	12,080
<b>Operating profit</b>	3	<u>318,082</u>	<u>277,563</u>
Exceptional items:			
(loss)/profit on the disposal of tangible fixed assets	4	<u>(6,629)</u>	<u>18,510</u>
		<u>(6,629)</u>	<u>18,510</u>
		311,453	296,073
Interest receivable		1,010	307
Interest payable	6	(202,904)	(168,214)
<b>Profit on ordinary activities before taxation</b>		<u>109,559</u>	<u>128,166</u>
Tax on profit on ordinary activities	7	(43,721)	(39,160)
<b>Profit for the financial year</b>		<u>65,838</u>	<u>89,006</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 2009**

	Notes		2009 £	2008 £
<b>Fixed assets</b>				
Tangible assets	8		3,097,875	773,882
<b>Current assets</b>				
Stocks	9	1,235,000	2,790,000	
Debtors	10	922,695	1,537,515	
Cash at bank and in hand		51,009	1,799	
		<u>2,208,704</u>	<u>4,329,314</u>	
<b>Creditors: amounts falling due within one year</b>	11	(1,897,979)	(2,217,180)	
<b>Net current assets</b>			<u>310,725</u>	<u>2,112,134</u>
<b>Total assets less current liabilities</b>			<u>3,408,600</u>	<u>2,886,016</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(2,761,664)	(2,304,918)
<b>Net assets</b>			<u>646,936</u>	<u>581,098</u>
<b>Capital and reserves</b>				
Called up share capital	14		50,000	50,000
Profit and loss account	15		596,936	531,098
<b>Shareholders' funds</b>	16		<u>646,936</u>	<u>581,098</u>

D A Floyd Esq

Director

Approved by the board on.....

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Cash Flow Statement**  
**for the year ended 31 January 2009**

	Notes	2009 £	2008 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		318,082	277,563
Depreciation charges		114,573	129,783
Decrease/(increase) in stocks		1,555,000	(814,707)
Decrease/(increase) in debtors		614,820	(254,914)
(Decrease)/increase in creditors		(698,748)	704,827
<b>Net cash inflow from operating activities</b>		<u>1,903,727</u>	<u>42,552</u>

**CASH FLOW STATEMENT**

<b>Net cash inflow from operating activities</b>		1,903,727	42,552
<b>Returns on investments and servicing of finance</b>	17	(201,894)	(167,907)
<b>Taxation</b>		(39,160)	(26,609)
<b>Capital expenditure</b>	17	<u>(2,445,195)</u>	<u>(120,274)</u>
		(782,522)	(272,238)
<b>Financing</b>	17	401,826	163,872
<b>Decrease in cash</b>		<u>(380,696)</u>	<u>(108,366)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Decrease in cash in the period</b>		(380,696)	(108,366)
Decrease/(increase) in debt and lease financing		336,082	(87,391)
<b>Change in net debt</b>	18	<u>(44,614)</u>	<u>(195,757)</u>
<b>Net debt at 1 February</b>		<u>(4,520,299)</u>	<u>(4,324,542)</u>
<b>Net funds/(net debt) at 31 January</b>		<u>(4,564,913)</u>	<u>(4,520,299)</u>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 January 2009**

**1 Accounting policies**

***Basis of preparation***

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:

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.

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 January 2009**

***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.

<b>3 Operating profit</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	19,355	39,217
Depreciation of assets held under finance leases and hire purchase contracts	94,525	89,055
Amortisation	693	1,511
Auditors' remuneration for audit services	3,000	3,000
Auditors' remuneration for other services	9,341	7,000
	<hr/>	<hr/>
<b>4 Exceptional items</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on disposal of plant and machinery	(6,629)	18,510
	<hr/>	<hr/>
<b>5 Staff costs</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries	34,927	35,620
Social security costs	3,775	3,891
	<hr/>	<hr/>
	38,702	39,511
	<hr/>	<hr/>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	7	7
Sales	3	3
	<hr/>	<hr/>
	10	10
	<hr/>	<hr/>
<b>6 Interest payable</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	190,986	137,766
Other loans	-	13,143
Finance charges payable under finance leases and hire purchase contracts	11,918	17,305
	<hr/>	<hr/>
	202,904	168,214
	<hr/>	<hr/>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 January 2009**

<b>7 Taxation</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	<u>43,721</u>	<u>39,160</u>
Tax on profit on ordinary activities	<u>43,721</u>	<u>39,160</u>

**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:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>109,559</u>	<u>128,166</u>
Standard rate of corporation tax in the UK	30%	30%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	32,868	38,450
Effects of:		
Expenses not deductible for tax purposes	10,853	710
Current tax charge for period	<u>43,721</u>	<u>39,160</u>

**8 Tangible fixed assets**

	<b>Freehold land and buildings</b>	<b>Motor vehicles</b>	<b>Short leasehold land and buildings</b>	<b>Plant and machinery</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 February 2008	299,830	586,223	75,554	131,065	1,092,672
Additions	2,700,000	153,427	-	24,147	2,877,574
Disposals	(299,830)	(215,762)	(36,414)	-	(552,006)
At 31 January 2009	<u>2,700,000</u>	<u>523,888</u>	<u>39,140</u>	<u>155,212</u>	<u>3,418,240</u>
 <b>Depreciation</b>					
At 1 February 2008	-	255,874	4,479	58,437	318,790
Charge for the year	-	94,524	693	19,356	114,573
On disposals	-	(110,085)	(2,913)	-	(112,998)
At 31 January 2009	<u>-</u>	<u>240,313</u>	<u>2,259</u>	<u>77,793</u>	<u>320,365</u>
 <b>Net book value</b>					
At 31 January 2009	<u>2,700,000</u>	<u>283,575</u>	<u>36,881</u>	<u>77,419</u>	<u>3,097,875</u>
At 31 January 2008	<u>299,830</u>	<u>330,349</u>	<u>71,075</u>	<u>72,628</u>	<u>773,882</u>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 January 2009**

<b>9 Stocks</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<u>1,235,000</u>	<u>2,790,000</u>

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

<b>10 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	565,718	1,122,159
Amounts owed by group undertakings and undertakings in which the company has a participating interest	154,034	350,736
Other debtors	123,407	44,071
Prepayments and accrued income	<u>79,536</u>	<u>20,549</u>
	<u>922,695</u>	<u>1,537,515</u>

<b>11 Creditors: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	681,623	251,718
Obligations under finance lease and hire purchase contracts	104,568	159,488
Director current account	30,459	17,271
Trade creditors	498,911	943,313
Amounts owed to group undertakings and undertakings in which the company has a participating interest	133,852	277,019
Corporation tax	43,721	39,160
Other taxes and social security costs	84,442	246,966
Other creditors	310,403	272,245
Accruals and deferred income	<u>10,000</u>	<u>10,000</u>
	<u>1,897,979</u>	<u>2,217,180</u>

<b>12 Creditors: amounts falling due after one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans	2,717,485	2,197,242
Obligations under finance lease and hire purchase contracts	<u>44,179</u>	<u>107,676</u>
	<u>2,761,664</u>	<u>2,304,918</u>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 January 2009**

<b>13 Obligations under finance leases and hire purchase contracts</b>			<b>2009</b>	<b>2008</b>
			£	£
Amounts payable:				
Within one year			104,568	159,488
Within two to five years			<u>44,179</u>	<u>107,676</u>
			<u>148,747</u>	<u>267,164</u>
<b>14 Share capital</b>			<b>2009</b>	<b>2008</b>
			£	£
Authorised:				
Ordinary shares of £1 each			<u>50,000</u>	<u>50,000</u>
	<b>2009</b>	<b>2008</b>		
	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>
<b>15 Profit and loss account</b>			<b>2009</b>	<b>2008</b>
			£	£
At 1 February 2008			531,098	442,092
Profit for the financial year			<u>65,838</u>	<u>89,006</u>
At 31 January 2009			<u>596,936</u>	<u>531,098</u>
<b>16 Reconciliation of movement in shareholders' funds</b>			<b>2009</b>	<b>2008</b>
			£	£
At 1 February			581,098	303,097
Profit for the financial year			65,838	89,006
Other recognised gains and losses			-	188,995
At 31 January			<u>646,936</u>	<u>581,098</u>
<b>17 Gross cash flows</b>			<b>2009</b>	<b>2008</b>
			£	£
<b>Returns on investments and servicing of finance</b>				
Interest received			1,010	307
Interest paid			<u>(202,904)</u>	<u>(168,214)</u>
			<u>(201,894)</u>	<u>(167,907)</u>
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets			2,877,574	194,450
Receipts from sales of tangible fixed assets			<u>(432,379)</u>	<u>(74,176)</u>
			<u>2,445,195</u>	<u>120,274</u>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 January 2009**

**Financing**

New loans	520,243	155,936
Capital element of finance lease rental payments	<u>(118,417)</u>	<u>7,936</u>
	<u>401,826</u>	<u>163,872</u>

**18 Analysis of changes in net debt**

	At 1 Feb 2008 £	Cash flows £	Non-cash changes £	At 31 Jan 2009 £
Cash at bank and in hand	1,799	49,210		51,009
Overdrafts	(233,617)	(429,906)		(663,523)
		<u>(380,696)</u>		
Debt due within 1 year	(1,824,075)	737,908		(1,086,167)
Debt due after 1 year	(2,197,242)	(520,243)		(2,717,485)
Finance leases	(267,164)	118,417		(148,747)
		<u>336,082</u>		
Total	<u>(4,520,299)</u>	<u>(44,614)</u>	-	<u>(4,564,913)</u>

**19 Related parties**

During the year there were transactions with business undertakings in which the director, Mr D A Floyd has controlling interest. At the balance sheet date, the amounts due from Youngs Road Plc £135,644.00 and Tiles Direct (UK) Limited 18,389.80. The amounts owed at the balance sheet date were Greenleaf Estates Limited 133,852.02.

**20 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 2009**  
*for the information of the director only*

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>	7,625,745	4,799,789
Cost of sales	(6,463,081)	(3,623,341)
<b>Gross profit</b>	<u>1,162,664</u>	<u>1,176,448</u>
Administrative expenses	(867,280)	(910,965)
Other operating income	22,698	12,080
<b>Operating profit</b>	<u>318,082</u>	<u>277,563</u>
Exceptional items	(6,629)	18,510
Interest receivable	1,010	307
Interest payable	(202,904)	(168,214)
<b>Profit before tax</b>	<u>109,559</u>	<u>128,166</u>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Schedule to the Profit and Loss Account**  
**for the year ended 31 January 2009**  
*for the information of the director only*

	<b>2009</b>	<b>2008</b>
	£	£
<b>Sales</b>		
Sales	<u>7,625,745</u>	<u>4,799,789</u>
<b>Cost of sales</b>		
Purchases	1,670,917	2,402,654
Opening stock and work in progress	2,790,000	1,975,293
Subcontractor costs	2,787,733	1,642,732
Direct labour	62,903	82,588
Wages and salaries	386,528	310,074
Closing stock and work in progress	<u>(1,235,000)</u>	<u>(2,790,000)</u>
	<u>6,463,081</u>	<u>3,623,341</u>
<b>Administrative expenses</b>		
Employee costs:		
Director's salary	34,927	35,620
Employer's NI	3,775	3,891
Staff training and welfare	6,724	6,792
Travel and subsistence	4,142	8,807
Motor expenses	112,897	99,215
Entertaining	46,331	85,107
	<u>208,796</u>	<u>239,432</u>
Premises costs:		
Rent and rates	45,111	36,375
Light and heat	30,071	15,163
Cleaning and removal of industrial waste	70,818	57,500
	<u>146,000</u>	<u>109,038</u>
General administrative expenses:		
Telephone and fax	50,153	57,209
Printing, postage and stationery	23,246	35,437
Charitable donations	23,669	24,151
Subscriptions	6,827	14,273
Bank charges	27,023	26,031
Factoring charges	9,934	66,327
Insurance	29,904	25,073
Vehicle hire	37,282	-
Equipment hire	54,120	25,730
Computer expenses	14,997	17,365
Repairs and maintenance	11,886	13,512
Depreciation	113,880	128,272
Amortisation on short leasehold	693	1,511
Sundry expenses	11,264	6,101
	<u>414,878</u>	<u>440,992</u>
Legal and professional costs:		
Audit fees	3,000	3,000
Accountancy fees	9,341	7,000
Consultancy fees	-	2,538
Bookkeeping	12,517	17,569
Advertising and PR	54,236	65,024
Other legal and professional	18,512	26,372
	<u>97,606</u>	<u>121,503</u>

**CHIGWELL CONSTRUCTION ( LONDON) LIMITED**  
**Schedule to the Profit and Loss Account**  
**for the year ended 31 January 2009**  
*for the information of the director only*

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
	<u>867,280</u>	<u>910,965</u>
<b>Other operating income</b>		
Rent Receivable	<u>22,698</u>	<u>12,080</u>