

**CASTLEOAK CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2003**

Company Registration Number 2196821



PEACHEYS
Chartered Accountants & Registered Auditors
22 Chepstow Road
NEWPORT
South Wales
NP19 8EA

CASTLEOAK CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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CASTLEOAK CONSTRUCTION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M W Knight
C R Knight
S D J Greenstreet
E F March

Company secretary

A J Knight

Registered office

Raglan House
Greenwood Close
Cardiff Gate Business Park
Cardiff

Auditors

Peachey's
Chartered Accountants
& Registered Auditors
22 Chepstow Road
NEWPORT
South Wales
NP19 8EA

Bankers

HSBC Bank Plc
2 Frogmore St
Abergavenny
Monmouthshire
South Wales

CASTLEOAK CONSTRUCTION LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31 MARCH 2003

I am pleased to present the company's results for the year ending 31 March 2003.

The year was another very successful year for the company, building on the achievements of the previous year:

-Sales:	£14.375m - up 17% on the previous year
-Gross Profit Margin:	15.3% - compared with 14.0% for the previous year
-Net Profit before Tax:	£0.371m - up 52% on the previous year
-Net Profit after Tax:	2.6% - compared with 1.5% for the previous year

The reported net profit before tax is after the deduction of £110,000 which has been paid under the Company Employee Profit Participation Scheme, which rewards all salaried employees as a percentage of their salary. The percentage varies under the terms of the Scheme, depending upon the band of net profit achieved by the Company.

A dividend of £52,500 has been paid during the year, therefore, after tax £195,552 has been added to the company's balance sheet during the period.

Current trading

The company is trading profitably with high levels of work in progress, orders and prospects. We continue to specialise in the design and build of care homes and are recognised as a UK market leader in this area of work. Our reputation for high quality projects delivered on time and within budget, coupled with our unrivalled expertise in the sector is providing a steady flow of new projects and clients.

We continue to work mainly for housing associations and charitable trusts that are either reproviding their own properties, contracting with local authorities to reprovide their care home stock or developing new care homes.

We are partnering with five clients to work on long-term programmes and we are currently working in Derbyshire, Coventry, Surrey, Oxfordshire, South London, Wiltshire and North Somerset.

In addition we have been appointed by several clients to undertake design, planning and feasibility work, prior to the award of design and build contracts. The increasing change in emphasis to partnering arrangements and becoming involved at the feasibility and planning stage means that our workload is more controlled and predictable. In addition, we are able to design in efficiencies to the benefit of our clients and ourselves.

We have a very strong order book with a high degree of continuity.

The ongoing success of the company is due to the hard work and commitment of our staff, suppliers, sub-contractors and consultants to whom I would express sincere thanks on behalf of the Board.

CASTLEOAK CONSTRUCTION LIMITED

CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 31 MARCH 2003

Subsidiaries

Chessmann Consulting Limited is a Chartered Quantity Surveying practice, based in Cardiff. Chessmann also specializes in Healthcare projects and works jointly with Castleoak in situations where clients require consultancy and project management expertise on smaller extension and refurbishment projects. Chessmann acts for a number of independent clients in a variety of sectors, and acts as monitoring surveyor for several UK banks providing finance for development projects. It has had another successful year of trading.

Tixover Developments Limited has completed the 11-unit close care development in Rutland. The sale of the last bungalow was completed during the year. The company is seeking similar development opportunities and in the meantime is dormant.

Duryard Care Limited has sold its care home property in Exeter and has no other assets or operations. Castleoak will be disposing of its 50% interest in the company to the remaining shareholder.

Office Acquisition and Move

In September 2002, the Company successfully completed its move to a new head office building "Raglan House" at Cardiff Gate Business Park, Cardiff. Cardiff Gate is just off junction 30 of the M4 and is one of the region's leading business parks. Castleoak Construction Limited acquired the 999 year leasehold interest in the building in May 2002.

The Board of Directors

It is with great sadness that I report the passing away of my father, Melville Roy Knight, a founder Director of Castleoak, on 14th June 2003. He had just reached his 80th birthday and was very proud of the Company, taking a keen interest in its activities. He officially opened our new head office on 22nd October 2002 and was instrumental in laying the foundations for the business.



Melville W Knight MA (Cantab)
Chairman
July 2003.

CASTLEOAK CONSTRUCTION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of building contractors.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003 £	2002 £
Dividends paid on ordinary shares	<u>52,500</u>	<u>—</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2003	At 1 April 2002
M W Knight	—	—
C R Knight	—	—
M R Knight	—	—
S D J Greenstreet	—	—
E F March	<u>—</u>	<u>—</u>

M R Knight passed away on 14 June 2003.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 11 to 12, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which 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 1985. The directors 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.

CASTLEOAK CONSTRUCTION LIMITED

THE DIRECTORS' REPORT *(continued)*

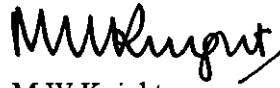
YEAR ENDED 31 MARCH 2003

AUDITORS

A resolution to re-appoint Peacheys as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

Signed on behalf of the directors



M W Knight
Director

Approved by the directors on11 July 2003

CASTLEOAK CONSTRUCTION LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 8 to 20 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Chairman's statement and the Directors' Report and consider whether they are consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

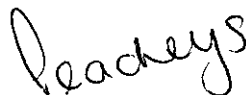
CASTLEOAK CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 MARCH 2003

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



22 Chepstow Road
NEWPORT
South Wales
NP19 8EA

PEACHEYS
Chartered Accountants
& Registered Auditors

14 July 2003

CASTLEOAK CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
TURNOVER	2	14,375,075	12,303,467
Cost of sales		<u>12,169,203</u>	<u>10,581,860</u>
GROSS PROFIT		2,205,872	1,721,607
Administrative expenses		1,879,316	1,585,410
Other operating income	3	<u>(24,426)</u>	<u>(27,000)</u>
OPERATING PROFIT	4	350,982	163,197
Income from shares in group undertakings	7	24,300	70,000
Interest receivable		29,029	22,398
Interest payable	8	<u>(33,181)</u>	<u>(9,244)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		371,130	246,351
Tax on profit on ordinary activities	9	<u>123,078</u>	<u>67,665</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		248,052	178,686
Dividends	10	52,500	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>195,552</u>	<u>178,686</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 20 form part of these financial statements.

CASTLEOAK CONSTRUCTION LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
YEAR ENDED 31 MARCH 2003

	2003	2002
	£	£
Profit for the financial year	248,052	178,686
Dividends	<u>(52,500)</u>	<u>—</u>
	195,552	178,686
Opening shareholders' equity funds	<u>492,868</u>	<u>314,182</u>
Closing shareholders' equity funds	<u>688,420</u>	<u>492,868</u>

The notes on pages 11 to 20 form part of these financial statements.

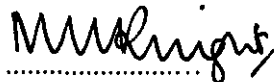
CASTLEOAK CONSTRUCTION LIMITED

BALANCE SHEET

31 MARCH 2003

	Note	£	2003 £	2002 £
FIXED ASSETS				
Tangible assets	11		1,080,001	95,102
Investments	12		<u>172,018</u>	<u>172,018</u>
			1,252,019	267,120
CURRENT ASSETS				
Stocks	14	9,717		109,593
Debtors	15	2,156,045		1,755,575
Cash at bank and in hand		<u>1,509,648</u>		<u>1,342,981</u>
		3,675,410		3,208,149
CREDITORS: Amounts falling due within one year	16	<u>3,665,591</u>		<u>2,969,236</u>
NET CURRENT ASSETS			9,819	238,913
TOTAL ASSETS LESS CURRENT LIABILITIES			1,261,838	506,033
CREDITORS: Amounts falling due after more than one year	17		<u>547,953</u>	<u>13,165</u>
			713,885	492,868
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	21		<u>25,465</u>	<u>—</u>
			688,420	492,868
CAPITAL AND RESERVES				
Called-up equity share capital	23		150,050	150,050
Revaluation reserve			1,998	1,998
Profit and loss account			<u>536,372</u>	<u>340,820</u>
SHAREHOLDERS' FUNDS			688,420	492,868

These financial statements were approved by the directors on the 11 July 2003 and are signed on their behalf by:



M W KNIGHT

The notes on pages 11 to 20 form part of these financial statements.

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

Under Financial Reporting Standard No. 1 (revised) the company is exempt from the requirement to produce a cash flow statement as the ultimate parent undertaking, Castleoak Holdings Limited, includes the company in its own published consolidated financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Development expenditure - 3 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	25%
Fixtures & Fittings	-	25%
Motor Vehicles	-	30%

Work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in, first out basis. The cost of work in progress is calculated to give the appropriate contract profit, which is apportioned on a time basis over the length of the contract.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investment income

Investment income comprises dividends and interest and is accounted for on a receivable basis.

Investments

Investments are included at market value. Any gains or losses arising from valuations of fixed asset investments are transferred to the revaluation reserve.

Consolidation

The financial statements contain information about Castleoak Construction Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken advantage of the fact that its results are included in the consolidated financial statements prepared for its parent company, Castleoak Holdings Limited.

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	<u>14,375,075</u>	<u>12,303,467</u>

3. OTHER OPERATING INCOME

	2003 £	2002 £
Rent receivable	18,426	—
Management charges receivable	<u>6,000</u>	<u>27,000</u>
	<u>24,426</u>	<u>27,000</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2003 £	2002 £
Amortisation	—	34,760
Depreciation of owned fixed assets	34,917	32,924
Depreciation of assets held under hire purchase agreements	<u>15,011</u>	<u>19,788</u>
Loss on disposal of fixed assets	5,965	7,993
Auditors' remuneration		
- as auditors	4,000	4,000
Operating lease costs:		
Plant and equipment	<u>2,577</u>	<u>10,054</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003 No	2002 No
Number of production staff	35	32
Number of administrative staff	5	4
Number of management staff	6	6
	<u>46</u>	<u>42</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	1,195,350	940,201
Social security costs	104,243	83,528
Other pension costs	9,277	5,645
Other pension costs	27,932	17,414
	<u>1,336,802</u>	<u>1,046,788</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Emoluments receivable	<u>278,129</u>	<u>200,069</u>

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions):	<u>76,690</u>	<u>53,565</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>4</u>	<u>4</u>

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2003 £	2002 £
Income from group undertakings	<u>24,300</u>	<u>70,000</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

8. INTEREST PAYABLE

	2003	2002
	£	£
Interest payable on bank borrowing	29,278	—
Finance charges	3,903	9,244
	<u>33,181</u>	<u>9,244</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	97,613	67,665
Total current tax	<u>97,613</u>	<u>67,665</u>
Deferred tax:		
Increase in deferred tax provision	25,465	—
Tax on profit on ordinary activities	<u>123,078</u>	<u>67,665</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>371,130</u>	<u>246,351</u>
Profit/(loss) on ord actvs by rate of tax	111,339	73,905
Increase in tax liability due to disallowable expenditure	24,884	16,960
Decrease in tax liability due to capital allowances	(26,921)	(1,640)
Decrease in tax liability due to intercompany dividend	(7,290)	(21,000)
Decrease in tax liability due to marginal rate relief	(4,399)	(560)
Total current tax (note 9(a))	<u>97,613</u>	<u>67,665</u>

10. DIVIDENDS

The following dividends have been paid in respect of the year:

	2003	2002
	£	£
Dividend paid on ordinary shares	<u>52,500</u>	<u>—</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

11. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2002	–	64,065	203,450	125,169	392,684
Additions	912,826	–	136,064	11,282	1,060,172
Disposals	–	–	(29,224)	(46,504)	(75,728)
At 31 March 2003	912,826	64,065	310,290	89,947	1,377,128
DEPRECIATION					
At 1 April 2002	–	56,956	151,696	88,930	297,582
Charge for the year	–	5,956	32,108	11,864	49,928
On disposals	–	–	(19,909)	(30,474)	(50,383)
At 31 March 2003	–	62,912	163,895	70,320	297,127
NET BOOK VALUE					
At 31 March 2003	912,826	1,153	146,395	19,627	1,080,001
At 31 March 2002	–	7,109	51,754	36,239	95,102

Hire purchase agreements

Included within the net book value of £1,080,001 is £63,557 (2002 - £36,592) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £15,011 (2002 - £19,788).

12. INVESTMENTS

Other investments other than loans

	£
COST	
At 1 April 2002 and 31 March 2003	172,018
NET BOOK VALUE	
At 31 March 2003	172,018
At 31 March 2002	172,018

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

13. SHARES IN GROUP UNDERTAKINGS

The companies subsidiaries, all incorporated in UK, are as follows:

1) Tixover Developments Limited: Ordinary £1 shares :100% holding: property developers

(Profit for the year £12,755; Net assets £15,257)

2) Chessman Consulting Limited: Ordinary £1 shares :77.5% holding: quantity surveyors

(Profit for the year £21,522; Net assets £70,978)

3) Duryard Care Limited: Ordinary: £1 shares: 50% holding: residential home

(Profit for the year to 30 September 2000 £2,706; Net assets £102,059)

14. STOCKS

	2003	2002
	£	£
Work in progress	<u>9,717</u>	<u>109,593</u>

15. DEBTORS

	2003	2002
	£	£
Trade debtors	1,851,839	1,139,682
Other debtors	185,288	559,039
Directors current accounts	82,524	35,524
Prepayments and accrued income	36,394	21,330
	<u>2,156,045</u>	<u>1,755,575</u>

Included in other debtors is £NIL (2002: £44,166) due from Tixover Developments Limited, representing the value of work in progress performed on a joint contract as at the year end date.

Included in other debtors is an amount due from Castleoak Limited and its subsidiaries, of £70,238 (2002: £88,362) which might not be fully recoverable within one year.

Included within other debtors is £20,400 (2002: £193,000) of funds placed on deposit with financial institutions which were held against performance bonds on certain construction projects. These funds are due back to the company on successful completion of these projects.

The directors each operate a current loan account with the company, which is debited with payments made by the company on behalf of the directors and credited with capital introduced and undrawn directors' fees. The following is the total amount outstanding from the directors £82,524 (2002 £35,524).

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

16. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	26,887	—
Trade creditors	3,140,689	2,729,221
Other creditors including taxation and social security:		
Corporation tax	97,613	67,665
Other taxation and social security	103,999	38,159
Hire purchase agreements	21,912	18,838
Other creditors	138,570	35,231
	<u>3,529,670</u>	<u>2,889,114</u>
Accruals and deferred income	135,921	80,122
	<u>3,665,591</u>	<u>2,969,236</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	<u>26,887</u>	<u>—</u>

17. CREDITORS: Amounts falling due after more than one year

	2003 £	2002 £
Bank loans and overdrafts	510,101	—
Other creditors:		
Hire purchase agreements	37,852	13,165
	<u>547,953</u>	<u>13,165</u>

The bank loan was taken out in the year, for a period of 15 years, to fund the purchase of the long leasehold property at a variable rate of 1.5% over base.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2003 £	2002 £
Bank loans and overdrafts	<u>510,101</u>	<u>—</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

18. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	2003 £	2002 £
Amounts repayable:		
In one year or less or on demand	26,887	—
In more than one year but not more than two years	28,424	—
In more than two years but not more than five years	95,403	—
In more than five years	386,274	—
	<u>536,988</u>	<u>—</u>

19. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	21,912	18,838
Amounts payable between 1 and 2 years	37,852	13,165
	<u>59,764</u>	<u>32,003</u>

20. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the staff and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the period amounted to £37,209 (2002: £23,059).

21. DEFERRED TAXATION

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Profit and loss account movement arising during the year	25,465	—
Provision carried forward	<u>25,465</u>	<u>—</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	25,465	—
	<u>25,465</u>	<u>—</u>

CASTLEOAK CONSTRUCTION LIMITED

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22. RELATED PARTY TRANSACTIONS

Included within other debtors is an amount £70,238 (2002; £88,362) due from Castleoak Limited and its subsidiaries, a company with the same directors. The directors expect this to be repaid in full during the next 2 years.

The company has taken advantage of the exemption to disclose related party transactions with other group entities under FRS 8 .

23. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
151,000 Ordinary shares of £1 each	<u>151,000</u>	<u>151,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>150,050</u>	<u>150,050</u>	<u>150,050</u>	<u>150,050</u>

24. ULTIMATE HOLDING PARTY

The ultimate holding company is Castleoak Holdings Limited, which is incorporated in England and Wales. Copies of its group accounts, which include the company, are available from Raglan House, Greenwood Close, Cardiff Business Park, South Wales or from Companies House.