

**CASTLEOAK CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2004**

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 2004

CONTENTS	PAGES
Officers and professional advisers	1
Chairman's statement	2
The directors' report	3 to 4
Independent auditors' report to the shareholders	5 to 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 to 18

CASTLEOAK CONSTRUCTION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

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 2004

I am pleased to present the Company's results for the year ending 31 March 2004.

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

-Sales:	£16.772m - up 17% on the previous year
-Net Profit before Tax:	£0.433m - up 17% on the previous year
-Net Profit before Tax:	2.6% - compared with 2.6% for the previous year (% of sales)

The reported net profit before tax is after the deduction of approximately £130,000 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 £75,000 has been paid during the year and after deduction of Corporation Tax an amount of £217,846 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 are also developing the newly emerging market of "Extracare" - very sheltered housing - and were successful recently in securing grant funding with one of our clients from the Department of Health for a new scheme in West Sussex.

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 Surrey, Oxfordshire, Kent, Wiltshire and North Somerset.

In addition we continue to be involved with a number of schemes, undertaking design, planning and feasibility work, prior to the award of design and build contracts. These represent a healthy pipeline of projects for the future.

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.



Melville W Knight MA (Cantab)
Chairman

21 June 2004.

CASTLEOAK CONSTRUCTION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2004.

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:

	2004	2003
	£	£
Dividends paid on ordinary shares	<u>75,000</u>	<u>52,500</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	At
	31 March 2004	1 April 2003 or later date of appointment
M W Knight	—	—
C R Knight	—	—
S D J Greenstreet	—	—
E F March	—	—
P Stephens	—	—

P Stephens was appointed as a director on 1 January 2004.

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 9 to 10, 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.

CASTLEOAK CONSTRUCTION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2004

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.

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:
Raglan House
Greenwood Close
Cardiff Gate Business Park
Cardiff

Signed on behalf of the directors



M W Knight
Director

Approved by the directors on *21 June 2004*

CASTLEOAK CONSTRUCTION LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2004

We have audited the financial statements on pages 7 to 18 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 9 to 10.

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 DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on pages 3 to 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's statement. 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.

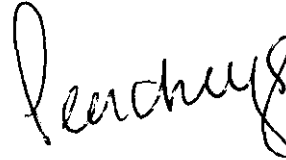
CASTLEOAK CONSTRUCTION LIMITED

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

YEAR ENDED 31 MARCH 2004

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 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



PEACHEYS
Chartered Accountants
& Registered Auditors

22 Chepstow Road
Newport
South Wales
NP19 8EA

24-06-04

CASTLEOAK CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
TURNOVER	2	16,771,764	14,375,075
Cost of sales		<u>14,020,759</u>	<u>12,169,203</u>
GROSS PROFIT		2,751,005	2,205,872
Administrative expenses		2,381,575	1,879,316
Other operating income	3	<u>(43,835)</u>	<u>(24,426)</u>
OPERATING PROFIT	4	413,265	350,982
Income from shares in group undertakings	7	—	24,300
Income from participating interests	8	6,000	—
Interest receivable		42,942	29,029
Interest payable	9	<u>(28,857)</u>	<u>(33,181)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		433,350	371,130
Tax on profit on ordinary activities	10	<u>140,504</u>	<u>123,078</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		292,846	248,052
Dividends	11	<u>75,000</u>	<u>52,500</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		217,846	195,552
Balance brought forward		<u>536,372</u>	<u>340,820</u>
Balance carried forward		<u>754,218</u>	<u>536,372</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 9 to 18 form part of these financial statements.

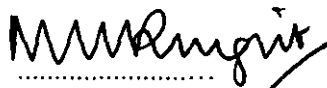
CASTLEOAK CONSTRUCTION LIMITED

BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	12	1,122,383	1,080,001
Investments	13	96,129	172,018
		<u>1,218,512</u>	<u>1,252,019</u>
CURRENT ASSETS			
Stocks	15	55,364	9,717
Debtors	16	2,651,866	2,156,045
Cash at bank and in hand		1,087,165	1,509,648
		<u>3,794,395</u>	<u>3,675,410</u>
CREDITORS: Amounts falling due within one year	17	<u>3,590,839</u>	<u>3,665,591</u>
NET CURRENT ASSETS		<u>203,556</u>	<u>9,819</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,422,068</u>	<u>1,261,838</u>
CREDITORS: Amounts falling due after more than one year	18	<u>485,216</u>	<u>547,953</u>
		<u>936,852</u>	<u>713,885</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	22	30,586	25,465
		<u>906,266</u>	<u>688,420</u>
CAPITAL AND RESERVES			
Called-up equity share capital	24	150,050	150,050
Revaluation reserve		1,998	1,998
Profit and loss account		754,218	536,372
SHAREHOLDERS' FUNDS	25	<u>906,266</u>	<u>688,420</u>

These financial statements were approved by the directors on the 21 June '04 and are signed on their behalf by:


M W KNIGHT

The notes on pages 9 to 18 form part of these financial statements.

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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.

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.

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.

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES *(continued)*

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.

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:

	2004	2003
	£	£
United Kingdom	<u>16,771,764</u>	<u>14,375,075</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

3. OTHER OPERATING INCOME

	2004	2003
	£	£
Rent receivable	37,835	18,426
Management charges receivable	6,000	6,000
	<u>43,835</u>	<u>24,426</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Directors' emoluments	330,829	250,197
Depreciation of owned fixed assets	41,741	34,917
Depreciation of assets held under hire purchase agreements	30,582	15,011
(Profit)/Loss on disposal of fixed assets	(1,109)	5,965
Auditors' remuneration		
- as auditors	4,000	4,000
Operating lease costs:		
Plant and equipment	4,969	2,577
Loss on sale of investments	<u>25,175</u>	<u>—</u>

5. PARTICULARS OF EMPLOYEES

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

	2004	2003
	No	No
Number of production staff	36	35
Number of administrative staff	5	5
Number of management staff	6	6
	<u>47</u>	<u>46</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	1,433,133	1,195,350
Social security costs	151,653	104,243
Staff pension costs	17,427	9,277
Directors' pension costs	32,436	27,932
	<u>1,634,649</u>	<u>1,336,802</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

6. DIRECTORS' EMOLUMENTS

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

	2004	2003
	£	£
Emoluments receivable	<u>363,265</u>	<u>278,129</u>

Emoluments of highest paid director:

	2004	2003
	£	£
Total emoluments (excluding pension contributions):	<u>83,253</u>	<u>76,690</u>

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

	2004	2003
	No	No
Money purchase schemes	<u>5</u>	<u>4</u>

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2004	2003
	£	£
Income from group undertakings	<u>—</u>	<u>24,300</u>

8. INCOME FROM PARTICIPATING INTERESTS

	2004	2003
	£	£
Income from participating interests	<u>6,000</u>	<u>—</u>

9. INTEREST PAYABLE

	2004	2003
	£	£
Interest payable on property mortgage	25,797	29,278
Finance charges	3,060	3,903
	<u>28,857</u>	<u>33,181</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	135,383	97,613
Total current tax	<u>135,383</u>	<u>97,613</u>
Deferred tax:		
Increase in deferred tax provision	5,121	25,465
Tax on profit on ordinary activities	<u>140,504</u>	<u>123,078</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>433,350</u>	<u>371,130</u>
Profit/(loss) on ord actvs by rate of tax	130,005	111,339
Increase in tax liability due to disallowable expenditure	40,156	24,884
Decrease in tax liability due to capital allowances	(31,751)	(26,921)
Decrease in tax liability due to intercompany dividend	(1,800)	(7,290)
Decrease in tax liability due to marginal rate relief	(1,227)	(4,399)
Total current tax (note 10(a))	<u>135,383</u>	<u>97,613</u>

11. DIVIDENDS

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

	2004 £	2003 £
Dividend paid on ordinary shares	<u>75,000</u>	<u>52,500</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

12. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2003	912,826	64,065	310,290	89,947	1,377,128
Additions	82	38,439	46,069	51,267	135,857
Disposals	—	—	—	(36,067)	(36,067)
At 31 March 2004	912,908	102,504	356,359	105,147	1,476,918
DEPRECIATION					
At 1 April 2003	—	62,912	163,895	70,320	297,127
Charge for the year	—	13,209	46,261	12,853	72,323
On disposals	—	—	—	(14,915)	(14,915)
At 31 March 2004	—	76,121	210,156	68,258	354,535
NET BOOK VALUE					
At 31 March 2004	912,908	26,383	146,203	36,889	1,122,383
At 31 March 2003	912,826	1,153	146,395	19,627	1,080,001

Hire purchase agreements

Included within the net book value of £1,122,383 is £104,293 (2003 - £63,557) 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 £30,582 (2003 - £15,011).

13. INVESTMENTS

Other investments other than loans

	£
COST	
At 1 April 2003	172,018
Disposals	(75,889)
At 31 March 2004	96,129
NET BOOK VALUE	
At 31 March 2004	96,129
At 31 March 2003	172,018

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

14. SHARES IN GROUP AND ASSOCIATED UNDERTAKINGS

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

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

(Loss for the year to 31 March 2004 £493; Net assets £8,549)

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

(Loss for the year to 31 March 2003 £1,986; Net assets £64,977).

The companies associated undertaking, which is incorporated in UK, is as follows

1) Chessmann Consulting Limited: Ordinary: £1 shares: 40% holding: quantity surveyors

(Profit for the year to 31 March 2004 £24,827; Net assets £55,805).

On the 31 March 2004, the company disposed of 37.5% of its shareholding in Chessmann Consulting Limited, resulting in a loss on sale of investments of £25,175.

15. STOCKS

	2004 £	2003 £
Work in progress	<u>55,364</u>	<u>9,717</u>

16. DEBTORS

	2004 £	2003 £
Trade debtors	2,321,332	1,851,839
Other debtors	218,482	185,288
Directors current accounts	36,660	82,524
Prepayments and accrued income	75,392	36,394
	<u>2,651,866</u>	<u>2,156,045</u>

Included in other debtors is an amount due from Castleoak Limited and its subsidiaries, of £36,238 (2003: £70,238).

Included within other debtors is £23,000 (2003: £20,400) 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 £36,660 (2003: £82,524).

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

17. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	32,261	26,887
Trade creditors	1,798,575	2,106,782
Other creditors including taxation and social security:		
Corporation tax	135,383	97,613
Other taxation and social security	64,194	103,999
Hire purchase agreements	40,286	21,912
Other creditors	69,319	138,570
	<u>2,140,018</u>	<u>2,495,763</u>
Accruals and deferred income	1,450,821	1,169,828
	<u>3,590,839</u>	<u>3,665,591</u>

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

	2004	2003
	£	£
Bank loans and overdrafts	<u>32,261</u>	<u>26,887</u>

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

	2004	2003
	£	£
Bank loans and overdrafts	410,747	510,101
Other creditors:		
Hire purchase agreements	74,469	37,852
	<u>485,216</u>	<u>547,953</u>

The bank loan was taken out in 2003, 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:

	2004	2003
	£	£
Bank loans and overdrafts	<u>410,747</u>	<u>510,101</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

19. CREDITORS - CAPITAL INSTRUMENTS

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

	2004 £	2003 £
Amounts repayable:		
In one year or less or on demand	32,261	26,887
In more than one year but not more than two years	34,106	28,424
In more than two years but not more than five years	114,474	95,403
In more than five years	262,167	386,274
	<u>443,008</u>	<u>536,988</u>

20. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2004 £	2003 £
Amounts payable within 1 year	40,286	21,912
Amounts payable between 1 and 2 years	74,469	37,852
	<u>114,755</u>	<u>59,764</u>

21. 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 £49,863 (2003: £37,209).

22. DEFERRED TAXATION

	2004 £	2003 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	25,465	—
Profit and loss account movement arising during the year	5,121	25,465
Provision carried forward	<u>30,586</u>	<u>25,465</u>

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

	2004 £	2003 £
Excess of taxation allowances over depreciation on fixed assets	30,586	25,465
	<u>30,586</u>	<u>25,465</u>

CASTLEOAK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

23. RELATED PARTY TRANSACTIONS

Included within other debtors is an amount £36,238 (2003; £70,238) due from Castleoak Limited and its subsidiaries, a company with the same directors.

The company has taken advantage of the exemption to disclose related party transactions with other group entities under FRS8 .

24. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
151,000 Ordinary shares of £1 each	<u>151,000</u>	<u>151,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>150,050</u>	<u>150,050</u>	<u>150,050</u>	<u>150,050</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	292,846	248,052
Dividends	(75,000)	(52,500)
	<u>217,846</u>	<u>195,552</u>
Opening shareholders' equity funds	688,420	492,868
Closing shareholders' equity funds	<u>906,266</u>	<u>688,420</u>

26. 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.