

COMPANY REGISTRATION NUMBER 05660708

Diamond Build (Holdings) plc

Financial Statements

31 December 2009



MACINTYRE HUDSON LLP

Chartered Accountants & Statutory Auditor

Euro House

1394 High Road

London

N20 9YZ

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Diamond Build (Holdings) plc

Financial Statements

Year ended 31 December 2009

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Diamond Build (Holdings) plc

Officers and Professional Advisers

The Board of Directors

J A Gray M C I O B
S R Lakhani F C C A

Company Secretary

S R Lakhani F C C A

Registered Office

52-68 Stamford Road
Tottenham
London
N15 4PZ

Auditor

MacIntyre Hudson LLP
Chartered Accountants
& Statutory Auditor
Euro House
1394 High Road
London
N20 9YZ

Bankers

Barclays Bank Plc
PO Box 110
20 The Town
Enfield
Middlesex
EN2 6LY

Solicitors

Curwens Solicitors
Crossfield House
Gladbeck Way
Enfield
Middlesex
EN2 7HT

Diamond Build (Holdings) plc

The Directors' Report *(continued)*

Year ended 31 December 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2009

Principal activities and business review

The principal activity of the company during the year was that of a holding company

The principal activity of the group during the year was that of major building works, decent homes programmes, repairs, alteration, improvement and extension works to existing buildings and housing estates, property rehabilitation, aids and adaptations to buildings for the disabled and day to day maintenance

Business review

The following relates to Diamond Build Plc (the Company), the subsidiary trading company

The year ended with a reduced turnover largely due to the economic climate however profit margins were maintained in line with the previous year

External management consultants CMC continued to counsel the Company on changes required to facilitate forward movement and accommodate a progressive expansion of the company, and for the chairman and managing director to focus more on strategic matters

The company implemented a growth marketing strategy to counter the effects of the economic downturn and broadening its revenue streams through a diversification into the private sector and areas of reactive maintenance, facilities management and environmental regeneration. As a result there has been a significant increase in marketing activity through, advertising, re-branding, awareness campaigns, telesales and networking

To facilitate this growth, the strategic management team was reviewed and strengthened accordingly to ensure a robust foundation is in place to accommodate additional future workload

Key appointments were

- Human Resources Director
- Support Services Director
- Director responsible for Operations (not full board)
- Director responsible for Estimating (not full board)

Accordingly, the high level of overheads reported for the year is attributable to the above

During the year the Company continued to implement improvements through its management quality control systems and through its people in accordance with the accredited International Standards attained in

- Quality Management ISO 9001 2008
- Health & Safety BS OHSAS 18001 2007
- The Environment ISO14001 2004
- Investor in People IIP 2007

Financial

Turnover was down by 19.7% in 2009 at £15.5m (2008 £19.4m)

During the year, turnover in the first six months had dropped 50% at £5.8m (2008 £11.8m) on previous year which was mainly due to delays in Job start-up dates. However, it picked up rapidly during the second half

Diamond Build (Holdings) plc

The Directors' Report *(continued)*

Year ended 31 December 2009

Gross Margin was maintained at £2.9m (2008 £2.9m). Overall margin was maintained at last years despite the drop in turnover, which was mainly due to very efficient management of jobs together with continued strict and improved close monitoring of cost control on jobs. Contract costs continued to be charged with various direct costs such as insurances, vehicle, telephone, technical staff personal health care and pension costs.

Net operating profit was slightly improved at 2.3% of turnover £362,721 (2008 £424,158 2.2% of turnover).

The company embarked upon a rebranding exercise to update its image during the year and the expenditure on this amounted to approximately £140k which is being amortised over three years during which period the company expected the benefits to feed through. Corporate advertising, sponsorships, corporate events, attending exhibitions and power point presentations continued at last years levels.

Overheads included annual establishment expenses for three satellite offices amounting to £275k, together with some further inevitable redundancy costs, costs for some fraudulent telephone calls made by third parties hacking into our systems, additional depreciation charge for an executive company car and IT equipment purchased during the year.

Reduced Insurance premiums costs at £157k were achieved which helped to improve our margins.

Debtors at 31 December 2009

Debtors had increased at the end of this financial year to £4.8m (2008 £3.4m) by £1.4m, of which £1.0m (2008 £0.85m) related to retentions held by our Local Authority clients.

The debtors increase was mainly due to increased work activity during the last quarter of our financial year amounting to £5.0m compared to £3.5m in the previous year, which is well over 40%.

All of the amounts recoverable on contracts of £1.6m were invoiced and all monies received.

Also, all trade debts outstanding at year end of £2.8m were recovered.

Other debtors included amounts owed by group undertakings amounting to £95k which was fully recovered, prepayments (inclusive of rebranding costs of £140k) of £191k and deferred taxation of £98k.

Debtor Days

2009 43 days
2008 29 days
2007 52 days
2006 37 days
2005 30 days

Creditor Days

2009 30 days
2008 20 days
2007 20 days
2006 24 days
2005 32 days

Business Development

The Company decided to implement a business growth strategy in line with the business plan objectives to counter the effects of the recession and provide the lead in essential business development and networking such that enquiry levels grow over the next three years.

Diamond Build (Holdings) plc

The Directors' Report *(continued)*

Year ended 31 December 2009

Objectives were

- Maximise current term contract accounts
- Introduce new relationships and business opportunities in the following sectors
 - Facilities management
 - Reactive maintenance
 - Private industrial and commercial clients
 - Sustainable regeneration works to all sectors

Below is a brief summary of the strategy employed

Advertising

Increased advertising presence in Social Housing Directories, sponsorship of local interests, as well as interviews for trade magazines

Re-branding

The Company launched its new brand in July with a well attended launch party

Awareness campaigns

The Company was well represented at many of the key diary events for the industry throughout the year

Telesales

A specialist telesales consultant was engaged to actively raise our profile, to identify key opportunities, follow up and track tender opportunities

Networking

Several Networking events were managed and attended throughout the year

Tendering & Estimating

The appointment of an estimating Director in the Second Quarter was essential to the completion of the marketing strategy and as a result the department began to enjoy relative success as was reflected in the third and last quarter's tender successes. However, the market remained increasingly restrictive and highly competitive which limited recovery from the first two periods

Buying and Stores

Head of Buying and Stores was promoted to Support Services Director

A robust reporting system for monitoring plant and stock movement and retention in all three operational stores was implemented. Our supply chain management processes again enabled us to review our suppliers and obtain better prices and services from all companies, new and existing, particularly on certain items such as sanitary-ware and kitchens

Contracts

During the year the Company carried out a multiplicity of different types of building contracts from small works to multi-million pound projects, all of which were carried out successfully

The more robust reporting and auditing system introduced in 2007 continues to be improved upon and has paid dividends and is proving highly successful in enhancing the communication from board down to site. This is reflected in the high quality of client satisfaction scores whereby all clients scored above 85% and residents scores averaged 95%. There were no disputes reported

The new operational Director has proved a vital addition in improving performance and has bolstered the department by introducing many new procedures and incentives as well as formulating a robust educational programme throughout the workforce

Diamond Build (Holdings) plc

The Directors' Report *(continued)*

Year ended 31 December 2009

ICT

A review of site telecommunications and equipment was carried out and new procedures implemented resulting in less downtime, fewer call outs for ICT technicians and lower hardware costs

The off site remote data storage back up utility was also reviewed and a new service provider introduced

A considerable number of other small improvements were made to the system during the year to enable us to be more efficient

Further procedural implementation work was carried out during the year in readiness to move towards accreditation for ISO 27001 2005

A new website was introduced to compliment our new brand

'Sysaid' error reporting software interface and 'Intranet' development were also commissioned for trial during the period

Safety, Health and the Environment (SHE Management System)

The year primarily focused upon the following

- Maintaining conformity with ISO 9001 2008, OHSAS 18001 2007 and ISO 14001 2004
- Continued development and implementation of Waste Management procedures and plans
- Our in house Health and Safety Manager continuing with regular site audits
- Ensuring that we maintain our excellent track record on site safety

In keeping with our accreditation for ISO 14001 2004 for Environmental Management the Company underwent an environmental audit entitled 'Grey to Green' using external consultants. Results were analysed and energy saving, waste reduction and carbon emission reduction measures have been implemented

An environmental committee has been formed representing a cross section of the company to regularly review and implement procedures

Human Resources

Head of Human resources was promoted to Director

Staff appraisals were undertaken as part of our annual employee review programme further demonstrating our commitment to continuous improvement

Newsletters and staff suggestion slips continued to prove effective in improving internal communications

Staff activity days were again received well and have proved an essential part of team building by providing staff with a greater appreciation of inter departmental understanding

The Company continued with our 'in house' training for management trainees, apprentices, site management NVQ3 and NVQ4 as well as Institute of Directors courses for our Directors within specialist areas

Our entire on-site workforce continue to be CRB checked in compliance with the requirements of a number of public sector clients

The Company retains CSCS accreditation for the majority of our workforce

Diamond Build (Holdings) plc

The Directors' Report *(continued)*

Year ended 31 December 2009

Events since the end of 2009

The first quarter saw tender successes in excess of £4m bringing works in hand to 65% of annual target within the first period

The company was successful in being appointed an approved Framework Contractor for all categories within the Major Works, Minor Works and Conservation Works bands for contracts with a value up to £3.5 million for London Borough of Haringey. Diamond Build Plc was the only firm to be selected for every band.

Our Human Resources Director attained her Master of Arts Degree in Personnel and Development and also full Membership of the Chartered Institute of Personnel and Development (CIPD).

A new Head of Marketing has been appointed to lead the strategic direction of the department.

A bid manager has been appointed to fill the much needed role to oversee the tender prequalification and bid submission process.

A new ICT developed intranet has been trialled and is set to go live in the summer.

Our Service Support Director has been nominated as the Director responsible for Environmental matters and is responsible for implementing strategy relating to environmental matters and directing the Environmental Committee.

Results and dividends

The profit for the year, after taxation, amounted to £268,273. Particulars of dividends paid and proposed are detailed in note 9 to the financial statements.

Directors

The directors who served the company during the year were as follows:

J A Gray M C I O B
S R Lakhani F C C A

Policy on the payment of creditors

It is the company's policy to pay sub-contractors and suppliers in accordance with their agreed terms and conditions. Such terms and conditions are agreed in advance of each transaction type and the company aims to comply with such terms once the satisfactory performance of service or receipt of goods is achieved. This is achieved by processing invoices daily and having weekly payment runs, using the DEMA accounting system that auto processes payments daily to the Barclays BACS payment facility. At 31 December 2009, the trade creditors of the company represented 30 days (2008: 20 days) of the purchases made during the year.

Diamond Build (Holdings) plc

The Directors' Report *(continued)*

Year ended 31 December 2009

Auditor

MacIntyre Hudson LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
52-68 Stamford Road
Tottenham
London
N15 4PZ

Signed by order of the directors



S R Lakhani F C C A
Company Secretary

Approved by the directors on *14th May* 2010

Diamond Build (Holdings) plc

Statement of Directors' Responsibilities

Year ended 31 December 2009

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is 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 auditor is aware of that information.

Diamond Build (Holdings) plc

Independent Auditor's Report to the Shareholders of DIAMOND BUILD (HOLDINGS) PLC

Year ended 31 December 2009

We have audited the group and parent company financial statements ("the financial statements") of **DIAMOND BUILD (HOLDINGS) PLC** for the year ended 31 December 2009 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow, Accounting Policies 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 shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Diamond Build (Holdings) plc

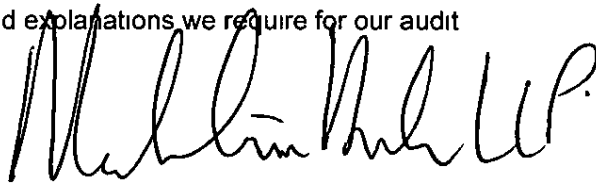
Independent Auditor's Report to the Shareholders of DIAMOND BUILD (HOLDINGS) PLC *(continued)*

Year ended 31 December 2009

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements 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



Brendan Sharkey FCA (Senior Statutory Auditor)
For and on behalf of
MACINTYRE HUDSON LLP
Chartered Accountants
& Statutory Auditor

Euro House
1394 High Road
Whetstone
London
N20 9YZ

20 May 2010

The accounting policies and notes on pages 15 to 27 form part of these financial statements

Diamond Build (Holdings) plc

Profit and Loss Account

Year ended 31 December 2009

	Note	2009 £	2008 £
Group turnover	1	15,584,549	19,417,776
Cost of sales		12,647,976	16,516,629
Gross profit		2,936,573	2,901,147
Administrative expenses		2,611,434	2,495,286
Other operating income	2	(37,582)	(18,297)
Operating profit	3	362,721	424,158
Interest receivable		10,429	114,551
Interest payable and similar charges	6	(33,005)	(65,298)
Profit on ordinary activities before taxation		340,145	473,411
Tax on profit on ordinary activities	7	71,872	118,068
Profit for the financial year	8	<u>£268,273</u>	<u>£355,343</u>

All of the activities of the group are classed as continuing

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

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The accounting policies and notes on pages 15 to 27 form part of these financial statements.

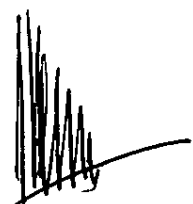
Diamond Build (Holdings) plc

Group Balance Sheet

31 December 2009

	Note	2009 £	£	2008 £
Fixed assets				
Tangible assets	10		310,502	342,856
Current assets				
Stocks	12	38,303		56,971
Debtors	13	4,810,268		3,393,781
Cash at bank and in hand		1,536,249		2,340,231
		6,384,820		5,790,983
Creditors: amounts falling due within one year	15	3,894,866		3,563,912
Net current assets			2,489,954	2,227,071
Total assets less current liabilities			2,800,456	2,569,927
Creditors: amounts falling due after more than one year	16		200,000	250,000
Provisions for liabilities				
Other provisions	17		420,519	384,393
			£2,179,937	£1,935,534
Capital and reserves				
Called-up equity share capital	23		50,000	50,000
Other reserves	24		50,000	50,000
Profit and loss account	24		2,079,937	1,835,534
Shareholders' funds	24		£2,179,937	£1,935,534

These financial statements were approved by the directors and authorised for issue on 14th MAY 2010, and are signed on their behalf by


J A Gray M C I O B

The accounting policies and notes on pages 15 to 27 form part of these financial statements

Diamond Build (Holdings) plc

Balance Sheet

31 December 2009

	Note	2009 £	£	2008 £
Fixed assets				
Investments	11		<u>50,003</u>	<u>50,003</u>
Current assets				
Debtors	13	23,870		—
Creditors: amounts falling due within one year	15	<u>23,873</u>		<u>3</u>
Net current liabilities			<u>(3)</u>	<u>(3)</u>
Total assets less current liabilities			<u>50,000</u>	<u>50,000</u>
Capital and reserves				
Called-up equity share capital	23		<u>50,000</u>	<u>50,000</u>
Shareholders' funds			<u>£50,000</u>	<u>£50,000</u>

These financial statements were approved by the directors and authorised for issue on ^{14th} MAY 2010, and are signed on their behalf by



J A Gray M C I O B

Company Registration Number 05660708

The accounting policies and notes on pages 15 to 27 form part of these financial statements

Diamond Build (Holdings) plc

Group Cash Flow

Year ended 31 December 2009

	Note	2009 £	2008 £
Net cash (outflow)/inflow from operating activities	25	(586,336)	1,424,681
Returns on investments and servicing of finance	25	(22,576)	49,253
Taxation	25	(26,587)	–
Capital expenditure and financial investment	25	(97,203)	(93,803)
Equity dividends paid		(23,870)	–
Cash (outflow)/inflow before financing		(756,572)	1,380,131
Financing	25	(50,000)	(420,625)
(Decrease)/increase in cash	25	<u>£(806,572)</u>	<u>£959,506</u>

The accounting policies and notes on pages 15 to 27 form part of these financial statements.

Diamond Build (Holdings) plc

Accounting Policies

Year ended 31 December 2009

Basis of accounting

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The financial statements for the year ended 31 December 2009 and the comparative figures therein do not include those of the subsidiary Anglo Asphalte Co Limited on the grounds of severe long term restriction in accordance with Financial Reporting Standard No 2 paragraph 78 c. Anglo Asphalte Co Limited went into administration during 2007 and its operations are discontinued.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided and a valuation of amounts recoverable on contracts at the year end 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:

Leasehold Property	-	9 years straight line
Fixtures & Fittings	-	4 years straight line
Motor Vehicles	-	6 years straight line
Computer Equipment	-	3 years straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for slow moving, obsolete and damaged stocks.

The cost of raw materials and consumable stores, consists of the purchase price including transport and handling costs, less trade discount, calculated on a first in first out basis.

Diamond Build (Holdings) plc

Accounting Policies (continued)

Year ended 31 December 2009

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 at a constant rate of charge on the balance of capital repayments outstanding.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution scheme. 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 exception:

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Fixed asset investments

Fixed asset investments are shown at cost less any provisions for permanent diminution in value.

Amounts recoverable on contracts

Amounts recoverable on contracts comprises work completed or measured parts thereof not yet invoiced to customers and is stated after making due allowance for irrecoverable amounts. Profit on contracting activities is taken as work progresses, unless a more conservative approach is necessary. The percentage margin on each individual contract is the lower of the margin earned to date and that forecast to completion, taking account of agreed claims.

Full provision is made for all known or expected losses on individual contracts.

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

1. Turnover

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

An analysis of turnover is given below

	2009 £	2008 £
United Kingdom	<u>15,584,549</u>	<u>19,417,776</u>

2. Other operating income

	2009 £	2008 £
Profit on disposal of fixed assets	7,502	3,311
Other operating income	<u>30,080</u>	<u>14,986</u>
	<u>£37,582</u>	<u>£18,297</u>

3. Operating profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of owned fixed assets	137,059	119,484
Depreciation of assets held under hire purchase agreements	–	8,797
Profit on disposal of fixed assets	(7,502)	(3,311)
Auditor's remuneration		
- as auditor	19,000	19,000
- for other services	6,000	6,000
Operating lease costs		
- Other	<u>129,525</u>	<u>141,825</u>

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

4. Particulars of employees

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

	2009 No	2008 No
Number of production staff	33	48
Number of administrative staff	29	41
Number of management staff	37	41
	<u>99</u>	<u>130</u>

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	4,048,788	4,712,732
Social security costs	373,890	421,399
Other pension costs	68,253	35,767
	<u>£4,490,931</u>	<u>£5,169,898</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009 £	2008 £
Remuneration receivable	487,178	403,111
Value of company pension contributions to money purchase schemes	10,000	10,000
Other pension contributions	45,676	14,193
	<u>£542,854</u>	<u>£427,304</u>

Remuneration of highest paid director:

	2009 £	2008 £
Total remuneration (excluding pension contributions)	<u>92,447</u>	<u>87,433</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009 No	2008 No
Money purchase schemes	<u>1</u>	<u>1</u>

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

6. Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	–	209
Other similar charges payable	<u>33,005</u>	<u>65,089</u>
	<u>£33,005</u>	<u>£65,298</u>

7. Taxation on ordinary activities (a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 22.48% (2008 - 21%)	81,229	26,587
(Over)/under provision in prior year	<u>–</u>	<u>10,482</u>
Total current tax	£81,229	£37,069
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	13,121	(5,043)
Losses	<u>(22,478)</u>	<u>86,042</u>
Total deferred tax (note 14)	£(9,357)	£80,999
Tax on profit on ordinary activities	<u>£71,872</u>	<u>£118,068</u>

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

7. Taxation on ordinary activities *(continued)* (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 22.48% (2008 - 21%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>340,145</u>	<u>473,411</u>
Profit on ordinary activities by rate of tax	76,465	99,416
Disallowable expenditure	2,349	12,644
Excess depreciation charged over capital allowances	6,433	(2,005)
Profit on disposal of fixed asset	(1,687)	-
Adjustments to tax charge in respect of previous periods	-	(10,482)
Utilisation of tax losses	<u>(2,331)</u>	<u>(62,504)</u>
Total current tax (note 7(a))	<u>£81,229</u>	<u>£37,069</u>

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £23,870 (2008 - £Nil)

9. Dividends Equity dividends

	2009 £	2008 £
Paid		
Equity dividends on ordinary shares	<u>23,870</u>	<u>-</u>

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

10. Tangible fixed assets

Group	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2009	45,810	376,553	426,324	533,927	1,382,614
Additions	—	—	56,961	48,496	105,457
Disposals	—	—	(85,588)	(3,695)	(89,283)
At 31 December 2009	£45,810	£376,553	£397,697	£578,728	£1,398,788
Depreciation					
At 1 January 2009	7,857	308,244	283,262	440,395	1,039,758
Charge for the year	5,089	23,735	46,370	61,865	137,059
On disposals	—	—	(84,836)	(3,695)	(88,531)
At 31 December 2009	£12,946	£331,979	£244,796	£498,565	£1,088,286
Net book value					
At 31 December 2009	32,864	44,574	152,901	80,163	310,502
At 31 December 2008	37,953	68,309	143,062	93,532	342,856

Hire purchase agreements

Included within the net book value of £310,502 is £Nil (2008 - £39,584) 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 £Nil (2008 - £8,797).

11. Investments

Company	Group companies £
Cost	
At 1 January 2009 and 31 December 2009	50,003
Net book value	
At 31 December 2009 and 31 December 2008	50,003

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

11. Investments (continued) Company

Subsidiary undertakings

The company holds 100% of the ordinary share capital of the following subsidiaries

<u>Company</u>	<u>Activity</u>
Diamond Build Plc	Building contractors
Anglo Asphalte Co Limited* (in administration)	Roofing contractor
Diamond Maintenance Limited	Dormant
P J Diamond (Building Contractors) Limited	Dormant
Diamond Special Works Limited	Dormant

All the above companies are incorporated in England & Wales and have year ends of 31 December 2009

* Company held indirectly

12. Stocks

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Stock	<u>38,303</u>	<u>56,971</u>	<u>-</u>	<u>-</u>

13. Debtors

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	2,803,265	2,349,607	-	-
Amounts owed by group undertakings	95,525	195,525	23,870	-
Amounts recoverable on contracts	1,605,400	673,222	-	-
Other debtors	15,992	24,413	-	-
Deferred taxation (Note 14)	98,849	89,492	-	-
Prepayments and accrued income	191,237	61,522	-	-
	<u>£4,810,268</u>	<u>£3,393,781</u>	<u>£23,870</u>	<u>-</u>

14. Deferred taxation

The movement in the deferred taxation asset during the year was

	<u>Group</u>		<u>Company</u>	
	2009	2008	2009	2008
	£	£	£	£
Asset brought forward	89,492	170,491	-	-
Increase/(Decrease) in asset	9,357	(80,999)	-	-
Asset carried forward	<u>£98,849</u>	<u>£89,492</u>	<u>-</u>	<u>-</u>

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

14. Deferred taxation (continued)

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2009		2008	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	179	-	13,300	-
Tax losses available	98,670	-	76,192	-
	<u>£98,849</u>	<u>-</u>	<u>£89,492</u>	<u>-</u>

15. Creditors: amounts falling due within one year

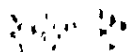
	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Bank loans and overdrafts	27,521	24,931	-	-
Trade creditors	1,029,314	948,577	-	-
Amounts owed to group undertakings	-	-	3	3
Hire purchase agreements	-	5,678	-	-
Other creditors including taxation and social security				
Corporation tax	81,229	26,587	-	-
PAYE and social security	123,110	112,901	-	-
VAT	296,073	302,392	-	-
Directors' loan accounts	524,245	460,375	23,870	-
Accruals and deferred income	1,813,374	1,682,471	-	-
	<u>£3,894,866</u>	<u>£3,563,912</u>	<u>£23,873</u>	<u>£3</u>

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

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Bank loans and overdrafts	27,521	24,931	-	-
Directors' loan accounts	524,245	460,375	-	-
Hire purchase agreements	-	5,678	-	-
	<u>£551,766</u>	<u>£490,984</u>	<u>-</u>	<u>-</u>

The bank has a fixed and floating charge over the assets of the group securing all monies due whatsoever

Mr J A Gray, a director, has a second equitable charge over the assets of Diamond Build Plc securing all monies due from the company



Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Directors' loan accounts	<u>200,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>

The debt is repayable within two to five years

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

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Directors' loan accounts	<u>200,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>

17. Other provisions

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Provision for losses on long term contracts	<u>420,519</u>	<u>384,393</u>	<u>-</u>	<u>-</u>

18. Derivatives

The group has no derivatives

19. Commitments under operating leases

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2009	2008
	£	£
Operating leases which expire		
Within 1 year	14,400	-
After more than 5 years	<u>127,425</u>	<u>141,825</u>
	<u>£141,825</u>	<u>£141,825</u>

20. Contingencies

Performance bonds to a value of £1,288,629 (2008 £1,051,031) existed at 31st December 2009. Liability would only arise if the company failed to complete the relevant contracts. The likelihood of this is remote and accordingly, no accounting provision has been made.

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

21. Transactions with the directors

Diamond Build (Holdings) Plc

During the year, the company paid a dividend of £23,870 to Mr J A Gray, a director

Diamond Build Plc

Included in creditors due within one year are directors' loans of £500,375 (2008 £460,375) and included in creditors due after more than one year are directors' loans of £200,000 (2008 £250,000) from Mr J A Gray, a company director, and his wife Mrs J T Gray. Interest of 4% above the base rate accrues on the loans and is payable monthly in arrears. During the year, interest of £33,005 (2008 £65,089) was paid.

During the year, the company undertook work on behalf of Mr J A Gray, a company director, to the value of £23,870 (2008 £35,250) on a commercial basis.

22. Related party transactions

At the balance sheet date Diamond Build PLC was due £95,525 (2008 £195,525) from Anglo Asphalte Co Limited, its subsidiary company in administration.

Diamond Build Plc paid rent of £75,745 (2008 £75,745) to the Diamond Build Plc Executive Pension Scheme. Mr J Gray, a director, is also a trustee and a beneficiary of the scheme.

23. Share capital

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

24. Reconciliation of shareholders' funds and movement on reserves

Group	Share capital £	Capital redemption reserve £	Profit and loss account £	Total share-holders' funds £
Balance brought forward	50,000	50,000	1,480,191	1,580,191
Profit for the year	—	—	355,343	355,343
Balance brought forward	£50,000	£50,000	£1,835,534	£1,935,534
Profit for the year	—	—	268,273	268,273
Equity dividends	—	—	(23,870)	(23,870)
Balance carried forward	<u>£50,000</u>	<u>£50,000</u>	<u>£2,079,937</u>	<u>£2,179,937</u>

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

24. Reconciliation of shareholders' funds and movement on reserves (continued) Company

	Share capital £	Profit and loss account £	Total share-holders' funds £
Balance brought forward	50,000	—	50,000
Balance brought forward	£50,000	—	£50,000
Profit for the year	—	23,870	23,870
Equity dividends	—	(23,870)	(23,870)
Balance carried forward	£50,000	—	£50,000

25. Notes to the cash flow statement Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2009 £	2008 £
Operating profit	362,721	424,158
Depreciation	137,059	128,281
Profit on disposal of fixed assets	(7,502)	(3,311)
Decrease in stocks	18,668	52,320
(Increase)/decrease in debtors	(1,407,130)	1,405,559
Increase/(decrease) in creditors	273,722	(519,051)
Increase/(decrease) in provisions	36,126	(63,275)
Net cash (outflow)/inflow from operating activities	£(586,336)	£1,424,681

Returns on investments and servicing of finance

	2009 £	2008 £
Interest received	10,429	114,551
Interest paid	(33,005)	(65,298)
Net cash (outflow)/inflow from returns on investments and servicing of finance	(22,576)	49,253

Taxation

	2009 £	2008 £
Taxation	(26,587)	—

Capital expenditure

	2009 £	2008 £
Payments to acquire tangible fixed assets	(105,457)	(111,079)
Receipts from sale of fixed assets	8,254	17,276
Net cash outflow from capital expenditure	(97,203)	(93,803)

Diamond Build (Holdings) plc

Notes to the Financial Statements

Year ended 31 December 2009

25. Notes to the cash flow statement (continued)

Financing

	2009 £	2008 £
Repayment of directors' long-term loans	(50,000)	(420,625)
Net cash outflow from financing	<u>(50,000)</u>	<u>(420,625)</u>

Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £
(Decrease)/increase in cash in the period	(806,572)	959,506
Cash outflow from directors' long-term loans	<u>50,000</u>	<u>420,625</u>
	(756,572)	1,380,131
Change in net funds	(756,572)	1,380,131
Net funds at 1 January 2009	2,065,300	685,169
Net funds at 31 December 2009	<u>£1,308,728</u>	<u>£2,065,300</u>

Analysis of changes in net funds

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	2,340,231	(803,982)	1,536,249
Overdrafts	<u>(24,931)</u>	<u>(2,590)</u>	<u>(27,521)</u>
	<u>2,315,300</u>	<u>(806,572)</u>	<u>1,508,728</u>
Debt			
Debt due after 1 year	<u>(250,000)</u>	<u>50,000</u>	<u>(200,000)</u>
Net funds	<u>£2,065,300</u>	<u>£(756,572)</u>	<u>£1,308,728</u>

26. Controlling parties

Throughout the current and previous year, the company was under the control of J A Gray M C I O B who beneficially holds 100% of the issued share capital of Diamond Build (Holdings) Plc