

MULHOLLAND HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2012

TUESDAY



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MULHOLLAND HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P T F Mulholland J MacLennan D Dimascio
Company secretary	K P R Breen
Registered number	SC079540
Registered office	Polbeth Industrial Estate West Calder West Lothian EH55 8TJ
Independent auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Royal Bank of Scotland EH54 6NB Livingston West Lothian
Solicitors	Rae, Reid & Stephen WS The Cottage 235 Corstorphine Road Edinburgh EH12 7AR

MULHOLLAND HOLDINGS LIMITED

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The following pages do not form part of the statutory financial statements:

MULHOLLAND HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012

The directors present their report and the financial statements for the year ended 31 July 2012.

Principal activities

The principal activity of the group continued to be the provision of contract and subcontract work for the construction industry.

Business review

The year saw the continuation of the impact of the credit crunch on turnover primarily due to its impact on a number of the company's key customers, although the group managed to increase turnover by 17.2%.

The group has continued to perform satisfactorily during the year and has turned last year's small operating loss into an operating profit in excess of £500k.

Future developments

The New Build Housing Market in which the company substantially operates continues to be extremely challenging. A continued lack of mortgage finance availability and the ongoing difficult economic conditions, together with low consumer confidence, has seen the number of new build houses drop dramatically.

The group remains cautious in its view of the housing market, as current demand remains weak, with a need for increased availability of mortgage finance, being critical to recovery of market activity.

The group has positioned itself to trade through the current downturn and is well placed to take advantage of any opportunities which develop in 2013 and beyond.

Risks and uncertainties

In acknowledging the impact of the credit crunch, and as outlined above, the directors have taken steps to reduce costs in light of more difficult trading conditions and to look to new sources of income.

The directors believe that the key risk facing the group going forward continues to be the lack of finance being provided by banking institutions for home buyers and the resulting impact this has on trade generated for the group.

Results

The profit for the year, after taxation, amounted to £293,732 (2011 - £234,282).

Directors

The directors who served during the year were:

P T F Mulholland
J MacLennan
D Dimascio

Employee involvement and employment of disabled employees

The group is an equal opportunities employer committed to effect positive policies in recruitment, training and career development for staff members (and potential staff) regardless of marital status, religion, colour, race, ethnic origin or disability. The group gives full consideration for application of employment by disabled persons where the requirement of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled it is the group's policy, where possible, to provide continuing employment under similar terms and conditions and to provide training and career development.

MULHOLLAND HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

The directors provide employees with such information which they believe would be useful and of interest to them in order to provide an understanding of the business and to encourage employee investment in the entity's performance.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

This report was approved by the board on

30/4/13

and signed on its behalf.

.....
K P R Breen
Secretary

MULHOLLAND HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 company and the group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to 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 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MULHOLLAND HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULHOLLAND HOLDINGS LIMITED

We have audited the financial statements of Mulholland Holdings Limited for the year ended 31 July 2012 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2012 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 matter 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.

MULHOLLAND HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULHOLLAND HOLDINGS LIMITED

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.

BDO LLP

Martin Gill (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Edinburgh
United Kingdom

30 April 2013

MULHOLLAND HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	28,608,297	24,411,816
Cost of sales		<u>(24,067,360)</u>	<u>(20,357,658)</u>
GROSS PROFIT	4	4,540,937	4,054,158
Administrative expenses		(4,281,387)	(4,363,984)
Other operating income	3	<u>252,974</u>	<u>233,351</u>
OPERATING PROFIT/(LOSS)	4	512,524	(76,475)
EXCEPTIONAL ITEMS	10		
Net profit on sale of tangible fixed assets	10	<u>-</u>	<u>641,765</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		512,524	565,290
Interest receivable and similar income	8	39,598	21,491
Interest payable and similar charges	9	<u>(99,489)</u>	<u>(110,392)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		452,633	476,389
Tax on profit on ordinary activities	11	<u>(158,901)</u>	<u>(242,107)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>293,732</u>	<u>234,282</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

MULHOLLAND HOLDINGS LIMITED

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2012

	2012 £	2011 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	452,633	476,389
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	49,348	85,650
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	501,981	562,039
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	343,080	319,932

The notes on pages 11 to 23 form part of these financial statements.

MULHOLLAND HOLDINGS LIMITED
REGISTERED NUMBER: SC079540

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	12		7,953,471	8,389,386
CURRENT ASSETS				
Stocks	14	371,798		349,565
Debtors	15	5,689,570		7,266,792
Cash at bank and in hand		3,736,379		4,069,924
		<u>9,797,747</u>		<u>11,686,281</u>
CREDITORS: amounts falling due within one year	16	(4,008,199)		(6,169,529)
NET CURRENT ASSETS			<u>5,789,548</u>	<u>5,516,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,743,019</u>	<u>13,906,138</u>
CREDITORS: amounts falling due after more than one year	17		(3,768,584)	(4,225,435)
NET ASSETS			<u><u>9,974,435</u></u>	<u><u>9,680,703</u></u>
CAPITAL AND RESERVES				
Called up share capital	19		54	54
Revaluation reserve	20		1,252,789	1,302,137
Capital redemption reserve	20		54	54
Profit and loss account	20		<u>8,721,538</u>	<u>8,378,458</u>
SHAREHOLDERS' FUNDS	21		<u><u>9,974,435</u></u>	<u><u>9,680,703</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

John MacLennan 30/4/13
J MacLennan
Director

The notes on pages 11 to 23 form part of these financial statements.

MULHOLLAND HOLDINGS LIMITED
REGISTERED NUMBER: SC079540

COMPANY BALANCE SHEET
AS AT 31 JULY 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	13		104		104
CURRENT ASSETS					
Debtors	15	2,069		2,069	
Cash at bank		2		2	
		<u>2,071</u>		<u>2,071</u>	
CREDITORS: amounts falling due within one year	16	(1,064)		(1,064)	
NET CURRENT ASSETS			<u>1,007</u>		<u>1,007</u>
NET ASSETS			<u>1,111</u>		<u>1,111</u>
CAPITAL AND RESERVES					
Called up share capital	19		54		54
Capital redemption reserve	20		54		54
Profit and loss account	20		1,003		1,003
SHAREHOLDERS' FUNDS	21		<u>1,111</u>		<u>1,111</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

J MacLennan 30/4/13
J MacLennan
 Director

The notes on pages 11 to 23 form part of these financial statements.

MULHOLLAND HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	22	621,429	661,067
Returns on investments and servicing of finance	23	26,524	11,709
Taxation	23	(14,602)	(335,875)
Capital expenditure and financial investment	23	(408,277)	(508,973)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		225,074	(172,072)
Financing	23	(558,619)	(38,493)
DECREASE IN CASH IN THE YEAR		(333,545)	(210,565)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS
FOR THE YEAR ENDED 31 JULY 2012**

		2012 £	2011 £
Decrease in cash in the year		(333,545)	(210,565)
Cash outflow from decrease in debt and lease financing		558,619	38,493
MOVEMENT IN NET DEBT RESULTING FROM CASHFLOWS	24	225,074	(172,072)
New finance leases		-	(848,517)
Interest on directors loan		(86,415)	(100,610)
MOVEMENT IN NET DEBT IN THE YEAR		138,659	(1,121,199)
Net (debt)/funds at 1 August 2011		(472,430)	648,769
NET (DEBT)/FUNDS AT 31 JULY 2012		(333,771)	(472,430)

The notes on pages 11 to 23 form part of these financial statements.

MULHOLLAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Mulholland Holdings Limited and all of its subsidiary undertakings ('subsidiaries') using the acquisition method of accounting.

1.3 Turnover and profit recognition on contracting activities

Turnover represents the invoiced value of goods and services supplied by the group, net of value added tax, as adjusted for the movement on contracts in progress. Turnover on contracts is recognised according to the stage reached in the contract by reference to the value of work done. Where turnover on a contract so calculated exceeds the amounts invoiced, the difference is included in debtors as 'Amounts recoverable on long term contracts'. Where payments are made on a contract in advance, these amounts are included in other creditors. Full provision is made for losses on all contract in the year in which they are first foreseen.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2-4% straight line
Plant & machinery	- 15-25% straight line/reducing balance
Motor vehicles	- 15-25% straight line
Fixtures & fittings	- 15-25% straight line

Freehold land is not depreciated.

1.5 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

1.6 Investments

Investments held as fixed assets are shown at cost less any provision for impairment.

MULHOLLAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

MULHOLLAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

3. OTHER OPERATING INCOME

	2012 £	2011 £
Other operating income	237,838	218,058
Grant income	15,136	15,293
	<u>252,974</u>	<u>233,351</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the group	496,577	486,626
- held under finance leases	407,020	409,228
Operating lease rentals:		
- plant and machinery	1,782,019	1,551,157
Profit on sale of tangible fixed assets	(59,405)	-
	<u>2,686,131</u>	<u>2,446,991</u>

5. AUDITOR'S REMUNERATION

	2012 £	2011 £
Fees payable to the group's auditor for the audit of the group's annual accounts	12,000	11,750
Fees payable to the group's auditor in respect of:		
Other services relating to taxation	1,495	2,100
	<u>13,495</u>	<u>13,850</u>

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2012 £	2011 £
Wages and salaries	9,734,514	9,053,532
Social security costs	932,142	818,552
Other pension costs	262,601	266,252
	<u>10,929,257</u>	<u>10,138,336</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2012 No.	2011 No.
Site employees	287	250
Administration	37	36
	<u>324</u>	<u>286</u>

There were no staff costs incurred by the company (2011 : £nil).

7. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>617,314</u>	<u>891,293</u>
Group pension contributions to money purchase pension schemes	<u>22,340</u>	<u>22,248</u>

During the year retirement benefits were accruing to 2 directors (2011 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £284,205 (2011 - £507,656).

8. INTEREST RECEIVABLE

	2012 £	2011 £
Bank interest receivable	<u>39,598</u>	<u>21,491</u>

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

9. INTEREST PAYABLE

	2012 £	2011 £
On finance leases and hire purchase contracts	13,074	9,782
Interest on directors loan	86,415	100,610
	<u>99,489</u>	<u>110,392</u>

10. EXCEPTIONAL ITEMS

	2012 £	2011 £
Profit on disposal of fixed assets	-	641,765
	<u>-</u>	<u>641,765</u>

11. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	184,545	20,811
Adjustments in respect of prior periods	(6,209)	(20)
Total current tax	<u>178,336</u>	<u>20,791</u>
Deferred tax (see note 18)		
Origination and reversal of timing differences	(19,435)	221,316
Tax on profit on ordinary activities	<u>158,901</u>	<u>242,107</u>

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

11. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 25.33% (2011 - 20.67%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	<u>452,633</u>	<u>476,389</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.33% (2011 - 20.67%)	114,652	98,449
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,712	22,588
Depreciation for year in excess of capital allowances	7,640	(137,667)
Other fixed asset timing differences, adjustments and movements	49,821	37,589
Other short term timing differences movements	(522)	(148)
Marginal relief	(9,758)	-
Movement due to change in corporation tax rate during the year	(6,209)	(20)
Current tax charge for the year (see note above)	<u><u>178,336</u></u>	<u><u>20,791</u></u>

Factors that may affect future tax charges

There is a potential deferred tax liability of £369,951 (2011 - £369,951) on the revaluation of land and buildings. This has not been provided at the balance sheet date as it is not the intention of the directors to sell the properties in the foreseeable future.

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

12. TANGIBLE FIXED ASSETS

Group	Freehold land & buildings £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 August 2011	6,944,261	3,989,878	1,785,402	447,470	13,167,011
Additions	13,965	103,489	377,350	23,049	517,853
Disposals	-	(23,500)	(385,262)	-	(408,762)
At 31 July 2012	<u>6,958,226</u>	<u>4,069,867</u>	<u>1,777,490</u>	<u>470,519</u>	<u>13,276,102</u>
Depreciation					
At 1 August 2011	655,194	2,504,767	1,216,928	400,736	4,777,625
Charge for the year	196,661	451,240	240,556	15,140	903,597
On disposals	-	(12,140)	(346,451)	-	(358,591)
At 31 July 2012	<u>851,855</u>	<u>2,943,867</u>	<u>1,111,033</u>	<u>415,876</u>	<u>5,322,631</u>
Net book value					
At 31 July 2012	<u>6,106,371</u>	<u>1,126,000</u>	<u>666,457</u>	<u>54,643</u>	<u>7,953,471</u>
At 31 July 2011	<u>6,289,067</u>	<u>1,485,111</u>	<u>568,474</u>	<u>46,734</u>	<u>8,389,386</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2012 £	2011 £
Plant and machinery	<u>1,085,176</u>	<u>1,492,196</u>

Included in land and buildings is freehold land at valuation of £1,727,857 (2011 - £1,727,857), cost £1,395,584 (2011 - £1,395,584) which is not depreciated.

Cost or valuation at 31 July 2012 is as follows:

Group	Land and buildings £
At cost	3,916,632
At valuation:	
2009 at market value	<u>3,041,594</u>
	<u>6,958,226</u>

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

12. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2012 £	2011 £
Cost	5,662,205	5,648,240
Accumulated depreciation	(808,623)	(661,310)
Net book value	<u><u>4,853,582</u></u>	<u><u>4,986,930</u></u>

The land and buildings were revalued as follows:

Polbeth Industrial Estate on 15 July 2009 by DM Hall, chartered surveyors, on an open market existing use basis.

Ettrickshaws Farm on 18 August 2009 by FBR Ltd, chartered surveyors, on an open market existing use basis.

The directors do not believe that the market values at 31 July 2012 are materially different.

13. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
Cost or valuation	
At 1 August 2011 and 31 July 2012	<u>104</u>
Net book value	
At 31 July 2012	<u><u>104</u></u>
At 31 July 2011	<u><u>104</u></u>

14. STOCKS

	Group		Company
	2012 £	2011 £	2012 £
Raw materials	68,023	66,009	-
Finished goods and goods for resale	303,775	283,556	-
	<u><u>371,798</u></u>	<u><u>349,565</u></u>	<u><u>-</u></u>

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

15. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	141,120	70,274	-	-
Amounts owed by related undertakings	-	-	2,069	2,069
Other debtors	1,212,275	1,215,294	-	-
Amounts recoverable on long term contracts	3,832,419	5,698,678	-	-
VAT recoverable	397,842	196,067	-	-
Deferred tax asset (see note 18)	105,914	86,479	-	-
	<u>5,689,570</u>	<u>7,266,792</u>	<u>2,069</u>	<u>2,069</u>

**16. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	301,566	316,919	-	-
Trade creditors	2,478,358	4,716,915	-	-
Corporation tax	184,545	20,811	-	-
Social security and other taxes	313,760	340,285	-	-
Other creditors	230,069	122,694	1,064	1,064
Accruals and deferred income	499,901	651,905	-	-
	<u>4,008,199</u>	<u>6,169,529</u>	<u>1,064</u>	<u>1,064</u>

Included in group other creditors is £21,079 (2011 - £23,139) relating to outstanding contributions payable to the pension scheme.

Finance lease and hire purchase creditors are secured on the assets concerned.

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

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	225,553	531,598	-	-
Other creditors	3,543,031	3,693,837	-	-
	<u>3,768,584</u>	<u>4,225,435</u>	<u>-</u>	<u>-</u>

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

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

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Between one and five years	225,553	531,598	-	-

Finance leases and hire purchase creditors are secured on the assets concerned.

18. DEFERRED TAXATION

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year	86,479	307,795	-	-
Released during/(charge for) the year	19,435	(221,316)	-	-
At end of year	105,914	86,479	-	-

The deferred taxation balance is made up as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Fixed asset timing differences	101,066	81,852	-	-
Short term timing differences	4,848	4,627	-	-
	105,914	86,479	-	-

19. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
54 Ordinary Shares shares of £1 each	54	54

MULHOLLAND HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

20. RESERVES

Group	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 August 2011	54	1,302,137	8,378,458
Profit for the year			293,732
Transfer between Revaluation reserve and P/L account		(49,348)	49,348
At 31 July 2012	<u>54</u>	<u>1,252,789</u>	<u>8,721,538</u>
Company		Capital redempt'n reserve £	Profit and loss account £
At 1 August 2011 and 31 July 2012		<u>54</u>	<u>1,003</u>

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2012 £	2011 £
Opening shareholders' funds	9,680,703	9,446,421
Profit for the year	293,732	234,282
Closing shareholders' funds	<u>9,974,435</u>	<u>9,680,703</u>
Company	2012 £	2011 £
Shareholders' funds at 1 August 2011 and 31 July 2012	<u>1,111</u>	<u>1,111</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £NIL (2011 - £NIL).

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit/(loss)	512,524	(76,475)
Depreciation of tangible fixed assets	903,597	895,854
Loss on disposal of tangible fixed assets	(59,405)	-
Increase in stocks	(22,233)	(38,522)
Decrease/(increase) in debtors	1,596,657	(1,627,063)
(Decrease)/increase in creditors	(2,309,711)	1,507,273
Net cash inflow from operating activities	<u>621,429</u>	<u>661,067</u>

MULHOLLAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	39,598	21,491
Hire purchase interest	(13,074)	(9,782)
Net cash inflow from returns on investments and servicing of finance	26,524	11,709
	2012 £	2011 £
Taxation		
Corporation tax	(14,602)	(335,875)
	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(517,853)	(1,231,723)
Sale of tangible fixed assets	109,576	722,750
Net cash outflow from capital expenditure	(408,277)	(508,973)
	2012 £	2011 £
Financing		
Repayment of finance leases	(321,398)	(38,493)
Loans repaid to directors	(237,221)	-
Net cash outflow from financing	(558,619)	(38,493)

24. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	1 August 2011 £	Cash flow £	Other non-cash changes £	31 July 2012 £
Cash at bank and in hand	4,069,924	(333,545)	-	3,736,379
Finance leases falling due within 1 year	(316,919)	321,398	(306,045)	(301,566)
Finance leases falling due after more than 1 year	(531,598)	-	306,045	(225,553)
Other creditors	(3,693,837)	237,221	(86,415)	(3,543,031)
Net funds/(debt)	(472,430)	225,074	(86,415)	(333,771)

MULHOLLAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

25. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £262,601 (2011 - £266,252).

26. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemptions available under FRS 8 for not disclosing transactions with wholly owned subsidiary undertakings.

Included with group debtors is £939,885 (2011 - £939,885) owed by Chartered Homes Ltd, a company in which P T F Mulholland is a director.

Included within group creditors is £3,543,031 (2011 - £3,693,837) owed to P T F Mulholland, director. The maximum amount outstanding during the year was £3,693,837. Interest of £86,415 (2011 - £100,610) was charged on this loan during the year.

27. CONTROLLING PARTY

The company is controlled by P T F Mulholland, a director and shareholder.

28. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Mulholland Contracts Limited	Scotland	100	Subcontracting work for the construction industry
Mulholland Plant Hire Limited	Scotland	100	Did not trade during the year
Mulholland Surfacing Limited	Scotland	100	Did not trade during the year