

Abbreviated Financial Statements for the Year Ended 31 August 2003

for

GHI CONTRACTS LIMITED



GHI CONTRACTS LIMITED

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for the Year Ended 31 August 2003

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GHI CONTRACTS LIMITED

Company Information
for the Year Ended 31 August 2003

DIRECTORS:

G Holmes
G Cairns
S Hunter
J V Dent MBE (Non Executive)
D McArthur CA (Non Executive)
D McDicken

SECRETARY:

P Holmes

REGISTERED OFFICE:

41 Wren Court
Strathclyde Business Park
Bellshill
ML4 5NQ

REGISTERED NUMBER:

152713 (Scotland)

AUDITORS:

Scott-Moncrieff
Chartered Accountants and
Registered Auditors
25 Bothwell Street
Glasgow
G2 6NL

GHI CONTRACTS LIMITED

Report of the Directors **for the Year Ended 31 August 2003**

The directors present their report with the financial statements of the company for the year ended 31 August 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of interior design and construction.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

This year has been one of great success for the company, with turnover up by 23% on the previous year. The gross profit has also increased over last year, showing again that the investment in systems and development within the company has paid off.

During the year several appointments were made to the Board of Directors, introducing a broad range of skills and expertise, and establishing a strong managerial base to take the company forward in the next, and future years.

We consider the profit for the year to be very satisfactory and look forward to continued success in the future.

DIVIDENDS

Interim dividends per share were paid as follows:

£15,000	- 28 February 2003
£3,500	- 30 April 2003
£35,000	- 25 July 2003
£53,500	

The directors recommend a final dividend of £12,500 per share, making a total of £66,000 per share for the year ended 31 August 2003.

The total distribution of dividends for the year ended 31 August 2003 will be £132,000.

FUTURE DEVELOPMENTS

The company will continue to seek business outside its current client base, whilst continuing to maintain the high standards that our existing clients have come to expect.

DIRECTORS

The directors during the year under review were:

G Holmes	
G Cairns	- appointed 1.1.03
S Hunter	- appointed 1.1.03
J V Dent MBE (Non Executive)	- appointed 28.8.03
D McArthur CA (Non Executive)	- appointed 28.8.03

The beneficial interests of the directors holding office on 31 August 2003 in the issued share capital of the company were as follows:

	31.8.03	1.9.02 or date of appointment if later
Ordinary £1 shares		
G Holmes	2	2
G Cairns	-	-
S Hunter	-	-
J V Dent MBE (Non Executive)	-	-
D McArthur CA (Non Executive)	-	-

Mr David McDicken was appointed as a director of the company on 1 October 2003.

GHI CONTRACTS LIMITED

Report of the Directors
for the Year Ended 31 August 2003

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £3,266. All donations were given to local charities which the directors considered worthy of support.

STATEMENT OF 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 and of the profit or loss of the company for that period. 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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

During the year McArthur & Co CA resigned as auditors of the company and Scott-Moncrieff CA were appointed in their place. Scott-Moncrieff CA will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
G Holmes - DIRECTOR

Dated:

26/3/04

GHI CONTRACTS LIMITED

Report of the Independent Auditors to
GHI Contracts Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to sixteen, together with the full financial statements of the company for the year ended 31 August 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to sixteen are properly prepared in accordance with that provision.



Scott-Moncrieff
Chartered Accountants and
Registered Auditors
25 Bothwell Street
Glasgow
G2 6NL

Dated: 29/3/08

GHI CONTRACTS LIMITED

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2003

		31.8.03	31.8.02
	Notes	£	£
GROSS PROFIT		1,465,101	1,108,032
Administrative expenses		1,180,860	1,011,687
OPERATING PROFIT	3	284,241	96,345
Interest receivable and similar income		19,042	18,255
		303,283	114,600
Interest payable and similar charges	4	31,248	37,806
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		272,035	76,794
Tax on profit on ordinary activities	5	57,135	17,976
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		214,900	58,818
Dividends	6	132,000	51,950
		82,900	6,868
Retained profit brought forward		556,940	550,072
RETAINED PROFIT CARRIED FORWARD		<u>£639,840</u>	<u>£556,940</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

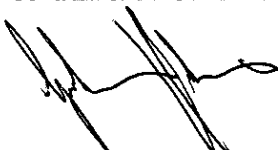
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

GHI CONTRACTS LIMITED**Abbreviated Balance Sheet****31 August 2003**

		31.8.03		31.8.02	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		242,141		216,209
CURRENT ASSETS:					
Stocks	8	95,631		139,910	
Debtors	9	1,329,328		1,217,079	
Cash at bank and in hand		739,296		543,253	
		2,164,255		1,900,242	
CREDITORS: Amounts falling due within one year	10	1,700,817		1,506,424	
NET CURRENT ASSETS:			463,438		393,818
TOTAL ASSETS LESS CURRENT LIABILITIES:			705,579		610,027
CREDITORS: Amounts falling due after more than one year	11		(65,147)		(50,390)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(590)		(2,695)
			£639,842		£556,942
CAPITAL AND RESERVES:					
Called up share capital	15		2		2
Profit and loss account			639,840		556,940
SHAREHOLDERS' FUNDS:	18		£639,842		£556,942

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


.....
G Holmes DIRECTOR

Approved by the Board on ... 26/3/04

The notes form part of these financial statements

GHI CONTRACTS LIMITED

Cash Flow Statement
for the Year Ended 31 August 2003

		31.8.03		31.8.02	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		479,521		(103,083)
Returns on investments and servicing of finance	2		3,526		(10,951)
Taxation			(17,951)		(51,972)
Capital expenditure	2		(15,114)		(7,707)
Equity dividends paid			(132,000)		(51,950)
			317,982		(225,663)
Financing	2		(153,768)		(4,330)
Increase/(Decrease) in cash in the period			£164,214		£(229,993)
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		164,214		(229,993)	
Cash outflow from decrease in debt and lease financing		<u>60,732</u>		<u>104,330</u>	
Change in net funds resulting from cash flows			224,946		(125,663)
New finance leases			(84,496)		(147,846)
Movement in net funds in the period			140,450		(273,509)
Net funds at 1 September			351,999		625,508
Net funds at 31 August			£492,449		£351,999

The notes form part of these financial statements

GHI CONTRACTS LIMITED

Notes to the Cash Flow Statement
for the Year Ended 31 August 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.8.03 £	31.8.02 £
Operating profit	284,241	96,345
Depreciation charges	68,321	63,061
Loss on sale of fixed assets	9,351	24,796
Profit on sale of fixed assets	(3,994)	-
Government grants	(15,732)	(8,600)
Decrease/(Increase) in stocks	44,279	(86,055)
Increase in debtors	(112,249)	(543,549)
Increase in creditors	205,304	350,919
Net cash inflow/(outflow) from operating activities	479,521	(103,083)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.8.03 £	31.8.02 £
Returns on investments and servicing of finance		
Interest received	19,042	18,255
Interest paid	(3,646)	(4,409)
Interest element of hire purchase or finance lease rentals payments	(27,602)	(33,397)
Government grants	15,732	8,600
Net cash inflow/(outflow) for returns on investments and servicing of finance	3,526	(10,951)
Capital expenditure		
Purchase of tangible fixed assets	(40,064)	(49,725)
Sale of tangible fixed assets	24,950	42,018
Net cash outflow for capital expenditure	(15,114)	(7,707)
Financing		
New loan taken out in year	-	100,000
Loan repayments in year	(100,000)	-
Capital repayments to finance leases	(60,732)	(104,330)
Amount introduced by directors	6,964	-
Net cash outflow from financing	(153,768)	(4,330)

The notes form part of these financial statements

GHI CONTRACTS LIMITED

Notes to the Cash Flow Statement
for the Year Ended 31 August 2003

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.02 £	Cash flow £	Other non-cash changes £	At 31.8.03 £
Net cash:				
Cash at bank and in hand	543,253	196,043		739,296
Bank overdraft	(92,564)	(31,829)		(124,393)
	<u>450,689</u>	<u>164,214</u>		<u>614,903</u>
Debt:				
Hire purchase or finance leases	(98,690)	60,732	(84,496)	(122,454)
	<u>(98,690)</u>	<u>60,732</u>	<u>(84,496)</u>	<u>(122,454)</u>
Total	<u>351,999</u>	<u>224,946</u>	<u>(84,496)</u>	<u>492,449</u>
Analysed in Balance Sheet				
Cash at bank and in hand	543,253			739,296
Bank overdraft	(92,564)			(124,393)
Hire purchase or finance leases				
within one year	(48,300)			(57,307)
after one year	(50,390)			(65,147)
	<u>351,999</u>			<u>492,449</u>

The notes form part of these financial statements

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements **for the Year Ended 31 August 2003**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Government Grants

Government grants received are offset against the cost of the asset where the grant is capital based, and included within other operating income where it is revenue based.

2. STAFF COSTS

	31.8.03	31.8.02
	£	£
Wages and salaries	1,521,209	1,105,400
Social security costs	166,653	111,811
Other pension costs	19,944	23,658
	1,707,806	1,240,869

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2003

2. STAFF COSTS - continued

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

	31.8.03	31.8.02
Administrative staff	15	15
Direct labour	35	27
	<u>50</u>	<u>42</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.8.03	31.8.02
	£	£
Depreciation - owned assets	19,449	18,805
Depreciation - assets on hire purchase contracts or finance leases	48,872	44,256
Loss on disposal of fixed assets	5,357	24,796
Auditors' remuneration	8,228	7,000
Hire of plant & machinery	20,365	21,853
Government grants received	<u>(15,732)</u>	<u>(8,600)</u>
Directors' emoluments	<u>224,846</u>	<u>39,701</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	-
	<u>2</u>	<u>-</u>

Information regarding the highest paid director for the year ended 31 August 2003 is as follows:

	31.8.03
	£
Emoluments etc	<u>159,034</u>

The company made pension payments of £2,650 in respect of the directors during the year under the money purchase scheme. None of this related to the highest paid director.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.8.03	31.8.02
	£	£
Bank interest	-	4
EBT loan interest	3,646	4,405
Hire purchase	7,237	11,544
Leasing	20,365	21,853
	<u>31,248</u>	<u>37,806</u>

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2003

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.8.03 £	31.8.02 £
Current tax:		
UK corporation tax	56,570	15,281
Underprovision in previous years	2,670	-
	<u>59,240</u>	<u>15,281</u>
Total current tax		
	<u>59,240</u>	<u>15,281</u>
Deferred tax:		
Deferred taxation	(2,105)	2,695
Tax on profit on ordinary activities	<u>57,135</u>	<u>17,976</u>

UK corporation tax has been charged at 19% (2002 - 20%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.8.03 £	31.8.02 £
Profit on ordinary activities before tax	<u>272,035</u>	<u>76,794</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 20%)	51,687	15,359
Effects of:		
Expenses not deductible for tax purposes	4,180	3,586
Depreciation in excess of capital allowances for the period	703	(3,664)
Underprovision in previous years	2,670	-
	<u>59,240</u>	<u>15,281</u>
Current tax charge		
	<u>59,240</u>	<u>15,281</u>

6. DIVIDENDS

	31.8.03 £	31.8.02 £
Equity shares:		
Interim - ordinary	107,000	51,950
Final - ordinary	25,000	-
	<u>132,000</u>	<u>51,950</u>

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2003

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 September 2002	49,529	250,340	102,265	402,134
Additions	1,660	108,718	14,182	124,560
Disposals	(20,648)	(60,632)	-	(81,280)
At 31 August 2003	30,541	298,426	116,447	445,414
DEPRECIATION:				
At 1 September 2002	33,374	85,027	67,524	185,925
Charge for year	3,765	52,325	12,231	68,321
Eliminated on disposals	(17,892)	(33,081)	-	(50,973)
At 31 August 2003	19,247	104,271	79,755	203,273
NET BOOK VALUE:				
At 31 August 2003	11,294	194,155	36,692	242,141
At 31 August 2002	16,155	165,313	34,741	216,209

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles	Computer equipment	Totals
	£	£	£
COST:			
At 1 September 2002	181,277	8,748	190,025
Additions	104,718	-	104,718
Disposals	(34,000)	-	(34,000)
Transferred to ownership	(30,495)	-	(30,495)
At 31 August 2003	221,500	8,748	230,248
DEPRECIATION:			
At 1 September 2002	65,076	2,187	67,263
Charge for year	47,232	1,640	48,872
Eliminated on disposals	(14,875)	-	(14,875)
Transferred to ownership	(17,630)	-	(17,630)
At 31 August 2003	79,803	3,827	83,630
NET BOOK VALUE:			
At 31 August 2003	141,697	4,921	146,618
At 31 August 2002	116,201	6,561	122,762

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2003

8. STOCKS

	31.8.03	31.8.02
	£	£
Stock	74,725	-
Work in progress	20,906	139,910
	<u>95,631</u>	<u>139,910</u>

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.8.03	31.8.02
	£	£
Trade debtors	1,116,930	1,002,496
Other debtors	202,932	200,774
Prepayments & accrued income	9,466	13,809
	<u>1,329,328</u>	<u>1,217,079</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.8.03	31.8.02
	£	£
Bank loans and overdrafts (see note 12)	124,393	92,564
Employee benefit trust loan (see note 12)	-	100,000
Trade creditors	412,537	467,379
Directors current accounts	6,964	-
Hire purchase	57,307	48,300
Other creditors	171,764	125,183
V.A.T.	124,379	108,489
Social security & other taxes	36,114	39,377
Taxation	56,570	15,281
Accrued expenses	710,789	509,851
	<u>1,700,817</u>	<u>1,506,424</u>

Included within Other creditors is an amount of £2,328 relating to pension contributions payable. This represents the contributions for August 2003, payable in September 2003.

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.8.03	31.8.02
	£	£
Hire purchase	<u>65,147</u>	<u>50,390</u>

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2003

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.8.03 £	31.8.02 £
Amounts falling due within one year or on demand:		
Bank overdrafts	124,393	92,564
Employee benefit trust loan	-	100,000
	<u>124,393</u>	<u>192,564</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.03 £	31.8.02 £
Hire purchase	122,454	98,690
Employee benefit trust loan	-	100,000
	<u>122,454</u>	<u>198,690</u>

Hire purchase creditors hold security over the respective assets financed.

The bank hold a floating charge over the assets and undertakings of the company.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31.8.03 £	31.8.02 £
Deferred tax	590	2,695
	<u>590</u>	<u>2,695</u>
	Deferred tax £	
Balance at 1 September 2002	2,695	
Release in the year	(2,105)	
	<u>590</u>	
Balance at 31 August 2003	<u>590</u>	
	Deferred tax provision	
	31.8.03 £	31.8.02 £
Deferred tax	590	2,695
	<u>590</u>	<u>2,695</u>

The provision for deferred taxation is made up of accelerated capital allowances.

GHI CONTRACTS LIMITED

Notes to the Abbreviated Financial Statements
for the Year Ended 31 August 2003

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.8.03	31.8.02
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.8.03	31.8.02
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

16. OTHER FINANCIAL COMMITMENTS

During the next year, the company is committed to pay £7,797, £2,865 and £4,707 under operating leases expiring within one year, between one and two years and between two and five years respectively.

17. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31 August 2003:

	£
G Holmes	
Balance outstanding at start of year	-
Balance outstanding at end of year	(6,964)
Maximum balance outstanding during year	<u>7,869</u>

At 31 August 2003, the company owed £6,964 to Mr G Holmes, director. The loan is interest free, with no particular terms of repayment.

During the year a caravan was bought from the company by Mr Holmes, at its market value of £6,750.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.03	31.8.02
	£	£
Profit for the financial year	214,900	58,818
Dividends	<u>(132,000)</u>	<u>(51,950)</u>
Net addition to shareholders' funds	82,900	6,868
Opening shareholders' funds	<u>556,942</u>	<u>550,074</u>
Closing shareholders' funds	<u>639,842</u>	<u>556,942</u>
Equity interests	<u>639,842</u>	<u>556,942</u>