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REGISTERED NUMBER: 152713 (Scotland)

Abbreviated Accounts for the Year Ended 31 August 2011

for

GHI Contracts Limited

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GHI Contracts Limited

Contents of the Abbreviated Accounts
for the Year Ended 31 August 2011

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

GHI Contracts Limited

Company Information
for the Year Ended 31 August 2011

DIRECTORS:

G Holmes
G Cairns
Mrs S Hunter
C Sibbald
K Dagger
G Mochan (Non Executive)

SECRETARY:

Mrs S Hunter

REGISTERED OFFICE:

Belgrave Court
Rosehall Road
Bellshill
ML4 3NR

REGISTERED NUMBER:

152713 (Scotland)

AUDITORS:

Scott-Moncrieff
Chartered Accountants and
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

GHI Contracts Limited

Report of the Directors for the Year Ended 31 August 2011

The directors present their report with the accounts of the company for the year ended 31 August 2011.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

Turnover has increased by 25% from the previous year as a result of a concerted effort to identify new business in the more buoyant sectors of the construction industry, as well as maintaining a presence in our core operating sectors. In addition we have been able to maintain profit margins on a like for like growth percentage, testament to meticulous management of overheads and project costs.

We expect the forthcoming year to continue to present challenging trading conditions in the construction industry however we believe we have a structure and business plan in place to maintain modest growth in both turnover and profitability. This will provide the platform to emerge as a stronger business when trading conditions improve.

The Board of Directors meets monthly to discuss the detailed monthly management accounts, which highlight individual project performance, profit levels and other key performance indicators. Budgets are also reviewed regularly and closely monitored.

We consider the financial performance for the year to be satisfactory and look forward to the year ahead.

DIVIDENDS

Interim dividends per share were paid as follows:

8,000	- 24 September 2010
8,000	- 27 October 2010
8,000	- 26 November 2010
8,000	- 24 December 2010
8,000	- 26 January 2011
8,000	- 24 February 2011
8,000	- 23 March 2011
8,000	- 26 April 2011
13,460	- 25 May 2011
8,000	- 24 June 2011
8,000	- 29 July 2011
8,000	- 30 August 2011
<u>£101,460</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2011 will be £101,460.

The dividend paid in the year ended 31 August 2010 was £117,620.

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.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the accounts.

GHI Contracts Limited

Report of the Directors
for the Year Ended 31 August 2011

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2010 to the date of this report.

G Holmes
G Cairns
Mrs S Hunter
C Sibbald
K Dagger
G Mochan (Non Executive)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £900, all given to local charities which the directors considered worthy of support.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Scott-Moncrieff, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
G Cairns - Director

Date: 22 March 2012

GHI Contracts Limited

Report of the Independent Auditors to GHI Contracts Limited

Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts of GHI Contracts Limited for the year ended 31 August 2011 which comprise the abbreviated profit and loss account, balance sheet, cashflow statement and related notes together with the full financial statements of GHI Contracts Limited for the year ended 31 August 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

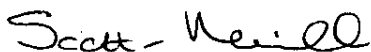
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Bernadette Higgins (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff
Chartered Accountants and
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Date: 22 March 2012

GHI Contracts Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2011

	Notes	31.8.11 £	31.8.10 £
TURNOVER		13,327,709	10,667,613
Cost of sales and other operating income		(11,889,332)	(9,569,094)
		1,438,377	1,098,519
Administrative expenses			
		1,241,962	1,175,108
OPERATING PROFIT/(LOSS)	3	196,415	(76,589)
Interest receivable and similar income			
		2,343	4,827
		198,758	(71,762)
Interest payable and similar charges	4		
		44,548	46,427
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		154,210	(118,189)
Tax on profit/(loss) on ordinary activities	5		
		(33,371)	28,205
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			
		120,839	(89,984)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

GHI Contracts Limited

Abbreviated Balance Sheet

31 August 2011

	Notes	31.8.11 £	31.8.10 £
FIXED ASSETS			
Tangible assets	7	166,109	201,223
CURRENT ASSETS			
Stocks	8	860,146	1,454,883
Debtors	9	3,517,340	1,984,874
Cash at bank and in hand		<u>937,152</u>	<u>1,068,381</u>
		5,314,638	4,508,138
CREDITORS			
Amounts falling due within one year	10	<u>4,679,817</u>	<u>3,928,835</u>
NET CURRENT ASSETS		<u>634,821</u>	<u>579,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		800,930	780,526
CREDITORS			
Amounts falling due after more than one year	11	(39,842)	(35,668)
PROVISIONS FOR LIABILITIES	15	<u>(1,208)</u>	<u>(4,357)</u>
NET ASSETS		<u>759,880</u>	<u>740,501</u>
CAPITAL AND RESERVES			
Called up share capital	16	2	2
Profit and loss account	17	<u>759,878</u>	<u>740,499</u>
SHAREHOLDERS' FUNDS	22	<u>759,880</u>	<u>740,501</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 22 March 2012 and were signed on its behalf by:


.....
G Cairns - Director

GHI Contracts Limited

Cash Flow Statement
for the Year Ended 31 August 2011

	Notes	31.8.11 £	£	31.8.10 £	£
Net cash (outflow)/inflow from operating activities	1		(8,775)		828,728
Returns on investments and servicing of finance	2		(20,538)		(13,837)
Taxation			23,874		(136,130)
Capital expenditure	2		5,411		17,170
Equity dividends paid			(101,460)		(117,620)
			(101,488)		578,311
Financing	2		(29,741)		(100,305)
(Decrease)/Increase in cash in the period			(131,229)		478,006
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(131,229)		478,006	
Cash outflow from decrease in debt and lease financing		<u>29,741</u>		<u>98,992</u>	
Change in net funds resulting from cash flows			(101,488)		576,998
New finance leases			(28,837)		(65,106)
Movement in net funds in the period			(130,325)		511,892
Net funds at 1 September			<u>1,007,682</u>		<u>495,790</u>
Net funds at 31 August			<u>877,357</u>		<u>1,007,682</u>

GHI Contracts Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2011

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

	31.8.11	31.8.10
	£	£
Operating profit/(loss)	196,415	(76,589)
Depreciation charges	55,378	59,511
Loss on disposal of fixed assets	3,162	5,325
Government grants	(21,667)	(27,763)
Decrease/(Increase) in stocks	594,737	(192,158)
(Increase)/Decrease in debtors	(1,532,466)	936,753
Increase in creditors	695,666	123,649
Net cash (outflow)/inflow from operating activities	<u>(8,775)</u>	<u>828,728</u>

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

	31.8.11	31.8.10
	£	£
Returns on investments and servicing of finance		
Interest received	2,343	4,827
Interest paid	(69)	(1,935)
Interest element of hire purchase payments	(44,479)	(44,492)
Government grants	21,667	27,763
Net cash outflow for returns on investments and servicing of finance	<u>(20,538)</u>	<u>(13,837)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(9,751)	-
Sale of tangible fixed assets	15,162	17,170
Net cash inflow for capital expenditure	<u>5,411</u>	<u>17,170</u>
 Financing		
Loan repayments in year	(7,709)	(55,016)
Capital repayments in year	(22,032)	(43,976)
Amount withdrawn by directors	-	(1,313)
Net cash outflow from financing	<u>(29,741)</u>	<u>(100,305)</u>

GHI Contracts Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2011

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.10 £	Cash flow £	Other non-cash changes £	At 31.8.11 £
Net cash:				
Cash at bank and in hand	<u>1,068,381</u>	<u>(131,229)</u>	<u>-</u>	<u>937,152</u>
	<u>1,068,381</u>	<u>(131,229)</u>	<u>-</u>	<u>937,152</u>
Debt:				
Hire purchase	(52,990)	22,032	(28,837)	(59,795)
Debts falling due within one year	<u>(7,709)</u>	<u>7,709</u>	<u>-</u>	<u>-</u>
	<u>(60,699)</u>	<u>29,741</u>	<u>(28,837)</u>	<u>(59,795)</u>
Total	<u><u>1,007,682</u></u>	<u><u>(101,488)</u></u>	<u><u>(28,837)</u></u>	<u><u>877,357</u></u>

GHI Contracts Limited

Notes to the Abbreviated Accounts for the Year Ended 31 August 2011

1. ACCOUNTING POLICIES

Going concern

The company has sufficient cash reserves and net assets to ensure it can remain in operational existence for a period of 12 months from the date on which these accounts have been signed. As a consequence, it is deemed appropriate to have these financial statements prepared on a going concern basis.

Accounting convention

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

Turnover

Turnover represents the sales value of amounts supplied during the year, 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

Stocks 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.

Long-term contract balances are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long-term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Deferred tax

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

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured on a non discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by 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.

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

GHI Contracts Limited

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2011

1. ACCOUNTING POLICIES (cont'd)

Government Grants

Government grants received for capital items are written off over the life of the asset to which they relate, and are included in other operating income where they are revenue based.

2. STAFF COSTS

	31.8.11	31.8.10
	£	£
Wages and salaries	1,861,629	1,735,728
Social security costs	193,151	181,830
Other pension costs	15,393	22,877
	<u>2,070,173</u>	<u>1,940,435</u>

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

	31.8.11	31.8.10
Administrative staff	20	17
Direct labour	49	44
	<u>69</u>	<u>61</u>

Included within administrative staff are 5 directors, 4 of whom receive remuneration (2010 : 4).

3. OPERATING PROFIT/(LOSS)

The operating profit (2010 - operating loss) is stated after charging/(crediting):

	31.8.11	31.8.10
	£	£
Depreciation - owned assets	33,524	35,679
Depreciation - assets on hire purchase contracts	21,854	23,832
Loss on disposal of fixed assets	3,162	5,325
Auditors' remuneration	6,000	6,000
Government grants received	<u>(21,667)</u>	<u>(27,763)</u>
Directors' remuneration	<u>252,460</u>	<u>258,402</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

No directors exercised share options during the year.

Information regarding the highest paid director is as follows:

	31.8.11	31.8.10
	£	£
Emoluments etc	<u>84,671</u>	<u>86,610</u>

During the year £2,340 (2010 : £7,746) of pension contributions was paid on behalf of the directors into a money purchase scheme. Of this £nil (2010 : £2,264) was paid on behalf of the highest paid director.

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2011

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.8.11	31.8.10
	£	£
Bank loan interest	69	1,139
Other interest	-	796
Hire purchase	3,928	5,420
Leasing	<u>40,551</u>	<u>39,072</u>
	<u>44,548</u>	<u>46,427</u>

Payments made under operating leases are in respect of the hire of plant and machinery.

5. **TAXATION**

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.8.11	31.8.10
	£	£
Current tax:		
UK corporation tax	36,520	(24,742)
Deferred tax	<u>(3,149)</u>	<u>(3,463)</u>
Tax on profit/(loss) on ordinary activities	<u>33,371</u>	<u>(28,205)</u>

Factors affecting the tax charge/(credit)

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

	31.8.11	31.8.10
	£	£
Profit/(loss) on ordinary activities before tax	<u>154,210</u>	<u>(118,189)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2010 - 21%)	30,842	(24,820)
Effects of:		
Expenses not deductible for tax purposes	1,751	796
Depreciation in excess of capital allowances for the period	2,999	3,462
Losses utilised in year	(947)	994
Change in margin rate	1,007	(5,174)
Adjustment in respect of previous year	<u>868</u>	-
Current tax charge/(credit)	<u>36,520</u>	<u>(24,742)</u>

6. **DIVIDENDS**

	31.8.11	31.8.10
	£	£
Ordinary shares of 0.001 each		
Interim	<u>101,460</u>	<u>117,620</u>

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2011

7. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2010	259,660	204,259	180,294	644,213
Additions	-	38,588	-	38,588
Disposals	-	(62,290)	-	(62,290)
At 31 August 2011	<u>259,660</u>	<u>180,557</u>	<u>180,294</u>	<u>620,511</u>
DEPRECIATION				
At 1 September 2010	168,911	115,410	158,669	442,990
Charge for year	22,690	27,276	5,412	55,378
Eliminated on disposal	-	(43,966)	-	(43,966)
At 31 August 2011	<u>191,601</u>	<u>98,720</u>	<u>164,081</u>	<u>454,402</u>
NET BOOK VALUE				
At 31 August 2011	<u>68,059</u>	<u>81,837</u>	<u>16,213</u>	<u>166,109</u>
At 31 August 2010	<u>90,749</u>	<u>88,849</u>	<u>21,625</u>	<u>201,223</u>

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

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2010	107,779	8,286	116,065
Additions	38,588	-	38,588
Transfer to ownership	(42,673)	(8,286)	(50,959)
At 31 August 2011	<u>103,694</u>	<u>-</u>	<u>103,694</u>
DEPRECIATION			
At 1 September 2010	40,948	3,625	44,573
Charge for year	21,854	-	21,854
Transfer to ownership	(24,671)	(3,625)	(28,296)
At 31 August 2011	<u>38,131</u>	<u>-</u>	<u>38,131</u>
NET BOOK VALUE			
At 31 August 2011	<u>65,563</u>	<u>-</u>	<u>65,563</u>
At 31 August 2010	<u>66,831</u>	<u>4,661</u>	<u>71,492</u>

8. **STOCKS**

	31.8.11 £	31.8.10 £
Stocks	62,500	62,500
Work-in-progress	<u>797,646</u>	<u>1,392,383</u>
	<u>860,146</u>	<u>1,454,883</u>

GHI Contracts Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2011**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.11	31.8.10
	£	£
Trade debtors	2,924,706	1,252,215
Amounts due from associated company	64,450	41,250
Other debtors	527,715	681,936
Prepayments and accrued income	469	9,473
	<u>3,517,340</u>	<u>1,984,874</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.11	31.8.10
	£	£
Bank loans and overdrafts (see note 12)	-	7,709
Hire purchase contracts (see note 13)	19,953	17,322
Trade creditors	2,480,232	1,781,830
Tax	35,652	(24,742)
Social security and other taxes	90,678	43,622
VAT	239,312	10,560
Other creditors	510,388	747,270
Directors' current accounts	554	554
Accrued expenses	1,303,048	1,344,710
	<u>4,679,817</u>	<u>3,928,835</u>

Included within other creditors is an amount of £1,467 (2010: £1,934) relating to pension contributions payable. This represents the contributions for August 2011, paid in September 2011.

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

	31.8.11	31.8.10
	£	£
Hire purchase contracts (see note 13)	<u>39,842</u>	<u>35,668</u>

All hire purchase creditors fall due for payment within five years.

12. LOANS

An analysis of the maturity of loans is given below:

	31.8.11	31.8.10
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>7,709</u>

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2011

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.8.11	31.8.10
	£	£
Net obligations repayable:		
Within one year	19,953	17,322
Between one and five years	<u>39,842</u>	<u>35,668</u>
	<u>59,795</u>	<u>52,990</u>

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	31.8.11	31.8.10
	£	£
Expiring:		
Within one year	1,377	6,104
Between one and five years	<u>21,264</u>	<u>20,160</u>
	<u>22,641</u>	<u>26,264</u>

At 31 August 2011 the company had contracted to hire 4 vans for 48 months, at a total monthly cost of £1,054. The vans were delivered after the year end.

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.11	31.8.10
	£	£
Bank loans	-	7,709
Hire purchase	<u>59,795</u>	<u>52,990</u>
	<u>59,795</u>	<u>60,699</u>

Hire purchase creditors hold security over the respective assets financed.

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

15. PROVISIONS FOR LIABILITIES

	31.8.11	31.8.10
	£	£
Deferred tax	<u>1,208</u>	<u>4,357</u>

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2011

15. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 September 2010	4,357
Release for year	<u>(3,149)</u>
Balance at 31 August 2011	<u>1,208</u>

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.8.11 £	31.8.10 £
2,000	Ordinary	0.001	<u>2</u>	<u>2</u>

35 ordinary shares were purchased by the company from Graham and Patricia Holmes post year end.

600 ordinary shares were purchased from Graham and Patricia Holmes by three directors post year end.

17. **RESERVES**

	Profit and loss account £
At 1 September 2010	740,499
Profit for the year	120,839
Dividends	<u>(101,460)</u>
At 31 August 2011	<u>759,878</u>

18. **TRANSACTIONS WITH DIRECTORS**

At 31 August 2011, the company owed £554 (2010: £554) to Mr G Holmes, director. The loan is interest free, with no particular terms of repayment. The maximum balance owed to Mr Holmes in the year was £554.

19. **RELATED PARTY DISCLOSURES**

Included within Debtors is an amount of £64,450 (2010: £41,250), which represents a trade debt due by GHI (Developments) Ltd, a company in which Mr Graham Holmes, Mr Gordon Cairns and Mr Graham Mochan are interested.

During the year GHI Contracts Ltd rented office premises from GHI (Developments) Ltd at an arms length market rate. In the year to 31 August 2011, the rental charge paid for this period was £83,050 including service charges.

GHI Contracts Ltd has lodged £400,000 in a separate bank account held in its own name, as guarantee for bank loans advanced to GHI (Developments) Ltd. GHI Contracts Ltd also has an interest shortfall guarantee in place for GHI (Developments) Ltd.

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2011

20. POST BALANCE SHEET EVENTS

On 19th September 2011, the company purchased 35 ordinary shares of £0.001 each in the capital of the company from Graham and Patricia Holmes.

On 19th September 2011, 600 ordinary shares of £0.001 each in the capital of the company were purchased from Graham and Patricia Holmes.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Graham Holmes, director who has a beneficial interest in the company of 100% of the issued share capital.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.11	31.8.10
	£	£
Profit/(Loss) for the financial year	120,839	(89,984)
Dividends	<u>(101,460)</u>	<u>(117,620)</u>
Net addition/(reduction) to shareholders' funds	19,379	(207,604)
Opening shareholders' funds	<u>740,501</u>	<u>948,105</u>
Closing shareholders' funds	<u>759,880</u>	<u>740,501</u>