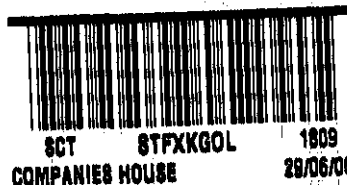


D G HEUCHAN CONSTRUCTION LIMITED

Financial Statements

For the year ended 31 August 2005



A member of the Millfield Group

www.rstaccountants.co.uk

A company registered in England and Wales
Company number 4140723

Registered Office: Knollys House, 17 Addiscombe Road, Croydon CR0 6SR
Offices in Aske, Richmond, Carlisle, Thornton Cleveleys, Sheffield, Castle Douglas, Dumfries, Newton Stewart, Penrith, Workington and Preston.
Directors: M.J. Ormston FPC, P. Cartwright FCCA, Paul Wilcock FCCA.
VAT No. 772 4685 96

D G HEUCHAN CONSTRUCTION LIMITED

Financial statements for the year ended 31 August 2005

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D G HEUCHAN CONSTRUCTION LIMITED

Directors, officers and advisers

Directors

D G Heuchan
Mrs T Heuchan

Secretary and registered office

Mrs T Heuchan
226 King Street
Castle Douglas
DG7 1DS

Registered number

188621 (Scotland)

Principal place of business

Townhead of Greenlaw
Castle Douglas
DG7 2LN

Accountants

RST Accountants Ltd
226 King Street
Castle Douglas
DG7 1DS

Bankers

Clydesdale Bank
38 King Street
Castle Douglas
DG7 1AD

D G HEUCHAN CONSTRUCTION LIMITED

Directors' report for the year ended 31 August 2005

The directors present their report and the financial statements of the company for the year ended 31 August 2005.

Principal activity

The principal activity of the company is general construction and civil engineering.

Directors

The directors who served during the year were:

D G Heuchan
Mrs T Heuchan

Directors' interests

The beneficial interests of the directors and their families in the share capital of the company were as follows:

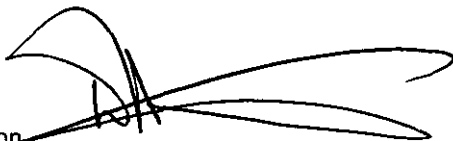
	Ordinary shares of £1 each	
	31 August 2005	1 September 2004
D G Heuchan	1	1
Mrs T Heuchan	1	1

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board

MR D HEUCHAN
Director

Approved by the Board on



D G HEUCHAN CONSTRUCTION LIMITED

Accountants' Report to the Board of Directors on the Unaudited Financial Statements

We have prepared, without carrying out an audit or examination, the financial statements set out on pages 4 to 8 from the accounting records of the company and from information and explanations provided by the company's directors.

As described on page 5, the company's directors are responsible for the accounts and they believe the company is exempt from an audit and a report under Section 249A(1).

We have not conducted an audit or an examination of the financial statements and accordingly we express no opinion thereon.

Our work does not provide any assurance that the accounting records and the accounts are free from material misstatement.

RST Accountants Ltd
226 King Street
Castle Douglas
DG7 1DS

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D G HEUCHAN CONSTRUCTION LIMITED

Profit and loss account for the year ended 31 August 2005

	Notes	2005	2004
		£	£
Turnover	2	1,732,259	1,437,761
Cost of sales		1,328,050	1,040,460
Gross profit		404,209	397,301
Distribution costs		25,759	13,539
Administrative expenses		165,731	169,400
		191,490	182,939
Operating profit	3	212,719	214,362
Other interest receivable and similar income		2,722	-
Interest payable and similar charges		(18,299)	(7,921)
Profit on ordinary activities before taxation		197,142	206,441
Taxation on profit on ordinary activities	4	29,088	11,189
Profit for the financial year		168,054	195,252
Dividends	5	45,000	-
Retained profit for the year		123,054	195,252

The notes on pages 6 to 8 form part of these financial statements.

D G HEUCHAN CONSTRUCTION LIMITED**Balance sheet at 31 August 2005**

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	6	797,413	792,086
Current assets			
Debtors	7	387,396	537,304
Investments	8	15,000	-
Cash at bank and in hand		383,223	179,501
		<u>785,619</u>	<u>716,805</u>
Creditors: amounts falling due within one year	9	<u>(1,117,568)</u>	<u>(1,166,481)</u>
Net current liabilities		<u>(331,949)</u>	<u>(449,676)</u>
Total assets less current liabilities		<u>465,464</u>	<u>342,410</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	465,462	342,408
Shareholders' funds		<u>465,464</u>	<u>342,410</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

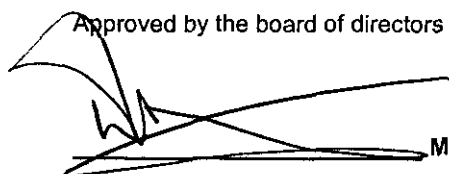
The directors are of the opinion that the company is entitled to the exemptions from audit conferred by section 249A(1) of the Companies Act 1985 for the year ended 31 August 2005.

The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B of the Companies Act 1985.

The directors are responsible for:-

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at 31 August 2005 and of its results for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on and signed on its behalf.



MR D HEUCHAN - Director

The notes on pages 6 to 8 form part of these financial statements.

D G HEUCHAN CONSTRUCTION LIMITED

Notes to the financial statements for the year ended 31 August 2005

1 Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

b) Turnover

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

c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Office equipment	15% on reducing balance
Plant and machinery	15% on reducing balance

d) Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value.

Cost of raw materials is determined on the first in first out basis. In the case of work in progress and finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which the stock can be released in the normal course of business, less further costs to completion of sale.

e) Deferred taxation

Deferred taxation is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial statements.

f) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account as they fall due.

2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company.

3 Profit on ordinary activities before taxation

This is stated after charging:

	2005	2004
	£	£
Depreciation	135,337	141,436
Loss on disposal of tangible fixed assets	-	7,785

4 Tax on profit on ordinary activities

	2005	2004
	£	£
United Kingdom corporation tax at	29,088	11,189

D G HEUCHAN CONSTRUCTION LIMITED

Notes to the financial statements for the year ended 31 August 2005 (continued)

5 Dividends

	2005	2004
	£	£
On equity shares:		
Interim of 2,250,000.00p per ordinary share paid (2004 - Nil p)	45,000	-

6 Tangible fixed assets

	Plant and machinery	Office equipment	Total
	£	£	£
Cost:			
At 1 September 2004	957,951	2,124	960,075
Additions	225,164	-	225,164
Disposals	(84,500)	-	(84,500)
At 31 August 2005	1,098,615	2,124	1,100,739
Depreciation:			
At 1 September 2004	167,458	531	167,989
Provision for the year	134,938	399	135,337
At 31 August 2005	302,396	930	303,326
Net book value:			
At 31 August 2005	796,219	1,194	797,413
At 31 August 2004	790,493	1,593	792,086

7 Debtors

	2005	2004
	£	£
Trade debtors	387,396	521,815
Other debtors	-	15,489
	387,396	537,304

8 Current asset investments

	2005	2004
	£	£
Unlisted investments at cost	15,000	-

9 Creditors: amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	92,688	61,364
Trade creditors	125,724	75,018
Other creditors	543,380	904,052
Corporation tax	29,088	11,189
Other tax and social security	25,071	-
Obligations under finance leases and hire purchase	301,617	114,858
	1,117,568	1,166,481

D G HEUCHAN CONSTRUCTION LIMITED

Notes to the financial statements for the year ended 31 August 2005 (continued)

10 Called-up share capital

	<u>2005</u>	<u>2004</u>
	£	£
Authorised		
Equity shares:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Equity shares:		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

11 Reserves

	<u>Profit and loss account</u>
	£
At 1 September 2004	342,408
Retained profit for the year	<u>123,054</u>
At 31 August 2005	<u>465,462</u>

D G HEUCHAN CONSTRUCTION LIMITED**Profit and loss account
for the year ended 31 August 2005**

	2005	2004
	£	£
Sales	1,732,259	1,437,761
Cost of sales		
Materials	711,464	531,674
Repairs & spares	35,765	34,713
Plant & vehicle upkeep	52,084	68,665
Direct wages	464,887	370,027
Plant hire & haulage	63,850	35,381
	1,328,050	1,040,460
	1,328,050	1,040,460
Gross profit	404,209	397,301
Deduct: Expenses		
Light & heat	826	553
Insurance	14,842	6,266
Protective clothing	707	659
Telephone	3,561	4,085
Postage, stationery & adverts	3,507	3,192
Sundry expenses	3,681	2,599
Building warrants & designs	25,759	13,539
Bank charges and interest	510	422
Hire purchase interest	18,299	7,921
Accountancy charges	2,760	2,403
Depreciation of office equipment	399	531
Depreciation of plant & machinery	134,938	140,905
Loss on sale of plant and machinery	-	7,785
	209,789	190,860
	194,420	206,441
Other income		
Interest receivable	2,722	-
Net profit before taxation	197,142	206,441