Grant Thornton

Financial statements
Pochin Construction Limited (formerly Pochin (Contractors) Limited)

For the year ended 31 May 2008

Company No 396388

Company information

Company registration number	396388
Registered office	Brooks Lane Middlewich Cheshire CW10 0JQ
Directors	A M J Pochin J C Pochin R M Hatton
Secretary	D J Hedley
Principal bankers	The Royal Bank of Scotland plc 6th Floor 1 Spinningfields Square Manchester M3 3AP
Solicitors	Mace & Jones Pall Mall Court 61 - 67 King Street Manchester M2 4PD
Auditor	Grant Thornton UK LLP Registered Auditors Chartered Accountants 1st Floor Royal Liver Building Liverpool L3 1PS

Index

Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 May 2008.

Principal activity

The company is principally engaged in building and civil engineering contracting, and operates within the United Kingdom.

Business review

Turnover, including work on developments projects for the group's property division, has been maintained at £85m (2007: £84m), despite several embryonic projects being cancelled by clients after successful tenders had been made. A strong performance in the second half of the year resulted in a profitable outcome for the year as a whole.

Following an independent business review in Spring 2008, a new divisional managing director was appointed to oversee the reorganisation of the division. The divisional board has been restructured and a review of strategy is underway. Operational and support management teams have also been reorganised in order to focus on the key issues identified in the review process, including further improvements to bid management processes and an expansion of the business development resource.

A number of key projects were delivered in the year including Environmental Science building for Bangor University, which received the LABC (Wales) award for Best Sustainable Development 2008 and has been nominated to go forward to the National Awards. We now have £82m of secured work for the current year (2007: £64m) and there is an encouraging level of enquiries in hand despite a noticeable decline in a number of our traditional areas of activity. The education sector, in particular, remains strong, evidenced by us recently securing a £7m project to build a new Learning Zone building for Mid-Cheshire College in Winsford.

Recently secured projects included a £20m office development for the Welsh Assembly Government at Llandudno Junction and a £22m chilled distribution unit for the Stobart Group.

The focus will remain on delivering quality projects to clients' satisfaction. Approximately 71% of revenue (2007: 77%) was achieved as a result of negotiated or partnered contracts and approximately 52% (2007: 50%) of our revenue came by way of repeat business. Our surveys indicate that we have maintained our customer satisfaction ratings at 92% (2007: 92%).

Results and Dividends

There was a profit for the year after taxation amounting to £18,699 (2007: £449,997). The directors do not recommend the payment of a dividend and the profit has been transferred to reserves.

The directors consider the company's key performance indicators to be turnover, gross profit, cash flow, secured work and customer satisfaction ratings as discussed above.

Post balance sheet events

On 25 November 2008 the company changed it's name to Pochin Construction Limited.

Report of the directors

Directors

The membership of the board at during the year is set out below:

J C Pochin
A M J Pochin
R M Hatton
L R Murray (resigned 31 May 2008)

Financial risk management objectives and policies

The company uses various financial instruments, these include cash and various items such as trade debtors and trade creditors that arise directly from operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Interest risk
The company does not have any third party borrowings therefore its exposure to interest rate risk is minimal.

Credit risk
The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, credit limits are set and reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Report of the directors

Directors' responsibilities for the financial statements (continued)

Company law in the United Kingdom 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 the group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable 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 will continue in business.

The directors are responsible for keeping proper accounting records that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Employee involvement

Information about the company and factors affecting its performance is provided to employees through the house magazine, Pochin Post.

In addition, there are arrangements for consulting and involving employees on matters affecting their interests at work, and informing them of the performance of the company. A variety of approaches is adopted aimed at encouraging the involvement of employees in effective communication and consultation, and the contribution of productive ideas at all levels.

The establishment and maintenance of safe working practices are of the greatest importance to the company and special training in health and safety is provided for employees.

Report of the directors

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Creditor payment policy

It is the policy of the company to agree appropriate terms and conditions for its transactions with suppliers and sub-contractors (by means ranging from standard written terms to individually negotiated contracts), and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them. The company also has full regard to the statutory payment requirements laid down by the Housing Grants, Construction and Re-Generation Act 1996.

At 31 May 2008, the company had 38 days purchases (2007: 41 days) outstanding in trade creditors.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of The Companies Act 1985.

BY ORDER OF THE BOARD

D J Hedley
Secretary
28 January 2009

Grant Thornton

Report of the independent auditor to the members of Pochin Construction Limited (formerly Pochin (Contractors) Limited)

We have audited the financial statements of Pochin Construction Limited (formerly Pochin (Contractors) Limited) for the year ended 31 May 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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

The directors' responsibilities for preparing the Report of the directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, whether in our opinion, the Report of the directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the directors and the implications for our report if we have become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the members of Pochin Construction Limited (formerly Pochin (Contractors) Limited)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors is consistent with the financial statements.

Grant Thornton UK LLP,

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LIVERPOOL

16 February 2009

Principal accounting policies

Basis of preparation

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Consolidation

The company is exempt by virtue of Section 228 of the Companies Act 1985 for the requirement to prepare group accounts. The results of the company are included in the consolidated accounts of Pochin's PLC, a company registered in England and Wales.

These financial statements present information about the company as an individual undertaking, and not about its group.

Turnover

Turnover, which excludes value added tax, comprises the total estimated value of construction work executed during the year.

Contract turnover reflects the contract activity during the year and is measured based on the consideration receivable. When the outcome can be reliably assessed, contract turnover and associated costs are recognised as turnover and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion of the contract at the balance sheet is assessed by reference to work done, measured by qualified quantity surveyors.

Long-term contracts

In accordance with Statement of Standard Accounting Practice No.9, turnover on long-term contracts is recognised according to the stage reached in the contract by reference to work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome can be assessed with reasonable certainty.

Where the outcome of a long term contract cannot be estimated reliably, turnover is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

In the case of a fixed price contract, the outcome of a construction contract is deemed to be estimated reliably when all of the following conditions are satisfied:

- total contract revenue can be measured reliably;
- it is probable that economic benefits associated with the contract will flow to the company;
- both the contract costs to complete the contract and the stage of completion at the balance sheet date can be measured reliably; and
- the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

Principal accounting policies

Long-term contracts (continued)

In the case of a cost plus contract, the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits associated with the contract will flow to the company, and the contract costs attributable to the contract, whether or not specifically reimbursable, can be clearly identified and measured reliably.

Amounts recoverable on contracts, being the excess of sales value of work executed over payments received on account, are included in debtors. The cost of long-term contracts not yet taken to the profit and loss account less foreseeable losses and payments on account are shown in stocks as long-term contract balances. Excess payments received are included in creditors.

Full provision is made for all foreseeable losses on contracts in the year in which the loss is first foreseen.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation

Depreciation is provided against the cost of computer and office equipment, less its estimated residual value, in equal annual instalments over its estimated useful life of 3-5 years.

Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

> Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Principal accounting policies

Investments

Investments are included at cost less amounts written off.

Development work in progress

Development work in progress includes development land and buildings and is stated at the lower of cost and net realisable value.

Leased assets

Assets held under finance leases are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets. The interest element is charged against profit in proportion to the reducing capital element outstanding. The annual rentals in respect of operating leases are charged to the profit and loss account.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of Pochin's PLC, and its cash flows are included within the consolidated cash flow statement of that company.

Contributions to pension fund

Defined benefit scheme

The company participates in a defined benefit scheme but is unable to identify its share of the underlying assets and liabilities. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. Further information on the surplus in the scheme is given in note 4.

Defined contribution scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Principal accounting policies

Financial instruments

Classification as equity or financial liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Profit and loss account

	Note	2008 £	2007 £
Turnover	1	**84,763,316**	83,955,309
Cost of sales		**(80,289,505)**	(78,733,491)
Gross profit		**4,473,811**	5,221,818
Net operating expenses	2	**(4,417,253)**	(4,560,027)
Profit on ordinary activities before taxation	1	**56,558**	661,791
Tax on profit on ordinary activities	5	**(37,859)**	(211,794)
Profit for the financial year retained	14	**18,699**	449,997

There were no recognised gains or losses other than the profit for the financial year.

All of the company's principal activities are classed as continuing.

Balance sheet

	Note	2008	2007
			£
Fixed assets			
Tangible assets	6	**305,762**	309,632
Investments	7	**40,002**	40,002
		345,764	349,634
Current assets			
Stocks	8	**2,414,397**	3,245,700
Debtors	9	**26,854,157**	22,025,240
Cash in hand		**549**	1,743
		29,269,103	25,272,683
Creditors: amounts falling due within one year	11	**(23,678,604)**	(19,702,753)
Net current assets		**5,590,499**	**5,569,930**
Total assets less current liabilities		**5,936,263**	**5,919,564**
Provisions for liabilities and charges	12	**-**	(2,000)
		5,936,263	5,917,564
Capital and reserves			
Called up share capital	13	**1,553,500**	1,553,500
Share premium account		**80,425**	80,425
Other non-distributable reserves		**20,000**	20,000
Profit and loss account	14	**4,282,338**	4,263,639
Shareholders' funds	15	**5,936,263**	5,917,564

The financial statements were approved by the Board of Directors on 28 January 2009 and signed on its behalf by:

J C Pochin
Director

The accompanying accounting policies and notes form an integral part of these accounts

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

Turnover consists entirely of sales made in the United Kingdom and is attributable to the company's principal activity.

The profit on ordinary activities is stated after charging:

	2008	2007
	£	£
Auditors' remuneration:		
- Audit services	**22,000**	16,000
- Non audit services - taxation	**3,360**	3,200
Hire of plant and machinery	**893,624**	766,064
Depreciation:		
- Owned assets	**77,655**	77,871

2 Operating expenses

	2008	2007
	£	£
Distribution costs	**232,385**	223,353
Administration expenses	**4,184,868**	4,040,516
	4,417,253	4,263,869

Notes to the financial statements

3 Directors and employees

Staff costs during the year were as follows:

	2008 £	2007 £
Wages and salaries	**6,881,266**	6,074,431
Social security costs	**600,448**	516,012
Other pension costs (see note 4)	**387,228**	858,090
	7,868,942	7,448,533

The average number of persons employed by the company during the year was:

	2008 Number	2007 Number
Operatives	**158**	147
Administration	**36**	44
	194	191

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Emoluments	**455,620**	463,876
Compensation for loss of office	**230,000**	-
Aggregate emoluments	**685,620**	463,876

During the year four directors (2007: four directors) participated in a defined benefit pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2008 £	2007 £
Aggregate emoluments	**396,918**	177,897

The highest paid director's accrued pension at the year end was £87,000 (2007: £81,000) and the highest paid director's accrued lump sum was £1,210,000 (2007: £1,102,000).

Notes to the financial statements

4 Pension costs

The company participates in a defined benefit scheme and a defined contribution scheme operated on a group basis.

The defined contribution scheme was established on 1 July 2002 and is available to new members from that date. During the year contributions of £118,174 (2007: £106,993) were made to the scheme. No liabilities existed at 31 May 2008 or 31 May 2007.

The defined benefit scheme was closed to new members on 31 December 2001. The assets of the plan are held separately from those of the company, being invested in an exempt unit fund through an investment manager. Contributions to the plan are determined by an independent qualified actuary and are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group as a whole. Details of the latest actuarial valuation of the plan as at 1 July 2005, which have been adjusted and updated on an approximate basis to 31 May 2008, are disclosed in the financial statements of Pochin's PLC.

The pension charge for the defined contributions scheme for the year was £269,054 (2007: £751,097).

5 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2008	2007
	£	£
Current taxation		
UK Corporation tax payable at 29.67% (2007: 30%)	**25,227**	201,980
Adjustments in respect of prior years	**3,651**	125
Total current tax	**28,878**	202,105
Deferred tax		
Provided in the year	**8,981**	9,689
	37,859	211,794

Notes to the financial statements

5 Tax on profit on ordinary activities (continued)

(b) Factors affecting the tax charge in the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 29.67% (2007: 30%).

The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before taxation	**56,558**	661,791
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 29.67% (2007: 30%)	**16,781**	198,537
Effects of:		
Expenses not deductible for tax purposes	**16,739**	13,132
Capital allowances for the year in excess of depreciation	**(8,169)**	(9,689)
Adjustment to tax charge in respect of prior year	**3,651**	125
Other short-term timing differences	**(124)**	-
Current tax charge for the year	**28,878**	202,105

6 Tangible fixed assets

	Computer and office equipment
	£
Cost	
At 1 June 2007	1,097,544
Additions	73,785
At 31 May 2008	1,171,329
Depreciation	
At 1 June 2007	787,912
Provided in the year	77,655
At 31 May 2008	865,567
Net book amount at 31 May 2008	**305,762**
Net book amount at 31 May 2007	309,632

Notes to the financial statements

7 Fixed assets investments

	£
Shares at cost	
At 1 June 2007 and 31 May 2008	**40,002**

At 31 May 2008 the company held 100% of the allotted ordinary share capital of the following subsidiaries that are incorporated in England and Wales:

Subsidiary undertakings	**Nature of business**	**Net assets £**
Pochin (Wales) Limited	Dormant	2
Timber & Plywood Co (Cheshire) Limited	Dormant	10,000
William Griffith & Son (Benllech) Limited	Dormant	30,000

8 Stocks

	2008 £	2007 £
Long-term contract work in progress	**2,414,397**	3,245,700

9 Debtors

	2008 £	2007 £
Amounts due from parent undertaking	**10,765,263**	10,555,983
Amounts recoverable under long-term contracts	**15,539,871**	10,797,116
Other debtors	**88,042**	30,340
Prepayments and accrued income	**400,146**	435,490
VAT debtor	**-**	136,495
Deferred tax asset (note 10)	**60,835**	69,816
	26,854,157	22,025,240

Notes to the financial statements

10 Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2008 £	2007 £
Included in debtors (note 9)	**60,835**	69,816

The movement in the deferred taxation account during the year was:

	2008 £	2007 £
Balance brought forward	**69,816**	79,505
Profit and loss movement arising during the year	**(8,981)**	(9,689)
Balance carried forward	**60,835**	69,816

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008 £	2007 £
Excess of depreciation over capital allowances	**20,654**	26,765
Other short term timing differences	**40,181**	43,051
	60,835	69,816

11 Creditors: amounts falling due within one year

	2008 £	2007 £
Payments received on account	**400,161**	700,116
Trade creditors	**10,456,453**	11,569,235
Social security and other taxes	**2,685,944**	654,492
Corporation tax	**28,878**	-
Other creditors	**200,089**	205,027
Accruals and deferred income	**9,907,079**	6,573,883
	23,678,604	19,702,753

Notes to the financial statements

12 Provisions for liabilities and charges

	Contract provisions £
At 1 June 2007	2,000
Decrease in the year	(2,000)
At 31 May 2008	-

13 Share capital

	2008 £	2007 £
Authorised		
2,500,000 Ordinary shares of £1 each	**2,500,000**	2,500,000
Allotted, called up and fully paid		
1,553,500 Ordinary shares of £1 each	**1,553,500**	1,553,500

14 Profit and loss account

	£
At 1 June 2007	4,263,639
Profit for the financial year	18,699
At 31 May 2008	**4,282,338**

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	**18,699**	449,997
Opening shareholders' funds	**5,917,564**	5,467,567
Closing shareholders' funds	**5,936,263**	5,917,564

There has been no movement on the share premium or other reserves during the year.

Notes to the financial statements

16 Capital commitments

The company had no capital commitments at 31 May 2008 or 31 May 2007.

17 Contingent liabilities

There are contingent liabilities in respect of guarantees under building agreements entered into in the normal course of business.

The company is party to a composite cross guarantee in favour of its bankers for all amounts due to the bank by Pochin's PLC of £46,862,809 (2007: £31,234,022).

18 Operating lease commitments

Annual minimum lease payments due under operating leases to which the company was committed were as follows:

	Plant and equipment	
	2008	2007
	£	£
Leases due to expire		
Within two to five years	**13,592**	13,592

19 Related party transactions

During the year, the company charged Hawarden Business Park Limited, a company in which Pochin's PLC, the ultimate parent undertaking, holds a 49% interest, £850,000 (2007: £Nil) for work undertaken in connection with the construction of an industrial park at Hawarden, Flintshire. Debtors, amounts recoverable under long-term contracts, at 31 May 2008 included a balance due from Hawarden Business Park Limited of £581,415 (2007: £Nil).

During the year, the company charged Trinity Court Developments Limited, a company in which Pochin's PLC holds a 50% interest, £Nil (2007: £2,096,000) for work undertaken in connection with the construction of residential apartments at Holyhead, Anglesey. Debtors, amounts recoverable under long-term contracts, at 31 May 2008 included a balance due from Trinity Court Developments Limited of £1,215,568 (2007: £1,542,121).

During the year, the company charged The Midpoint Partnership, an unincorporated business in which Pochin's PLC holds a 25% interest, £103,000 (2007: £9,840,000) for work undertaken in connection with the construction of a distribution unit at Midpoint 18, Middlewich. Debtors, amounts recoverable under long-term contracts, at 31 May 2008 included a balance due from The Midpoint Partnership of £Nil (2007: £1,191,707).

Notes to the financial statements

19 Related party transactions (continued)

During the year, the company charged UKLP Developments Limited, a company in which Pochin's PLC holds a 50% interest, £2,444,000 (2007: £Nil) for work undertaken in connection with the construction of an office park at Heald Green near Manchester Airport. Debtors amounts recoverable under long term contracts at 31 May 2008 included a balance due from UKLP Developments Limited of £Nil £2007: £Nil).

During the year, the company charged UKLP Walker House Limited, a company in which Pochin's PLC holds a 50% interest, £5,805,000 (2007: £Nil) for work undertaken in connection with the refurbishment of Walker House, Exchange Flags, Liverpool. Debtors amounts recoverable under long term contracts, at 31 May 2008, included a balance due from UKLP Walker House Limited of £2,642,403 (2007: £Nil).

As a wholly-owned subsidiary of Pochin's PLC, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Pochin's PLC.

There are no other related party transactions requiring disclosure.

20 Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of this company is Pochin's PLC, a company incorporated in England and Wales.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Pochin's PLC, which is registered in England and Wales.

21 Post balance sheet events

On 25 November 2008 the company changed it's name to Pochin Construction Limited.