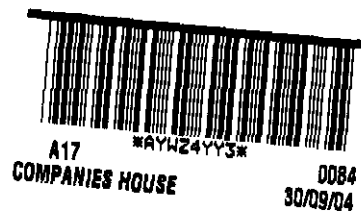


**REGISTERED NUMBER: 478188 (England and Wales)**

**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2004  
FOR  
KENDALL BROS (PORTSMOUTH) LIMITED**



**KENDALL BROS (PORTSMOUTH) LIMITED**

**CONTENTS OF THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2004**

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**KENDALL BROS (PORTSMOUTH) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2004**

---

**DIRECTORS:**

J W Kendall  
R M Kendall  
P W Kendall  
R C Kendall  
N A Kendall  
N R Kendall  
Mrs M J Coombs  
A J Coombs

**SECRETARY:**

Mrs D Knight-Manson

**REGISTERED OFFICE:**

Kendall's Wharf  
Eastern Road  
Portsmouth  
Hampshire  
PO3 5LY

**REGISTERED NUMBER:**

478188 (England and Wales)

**AUDITORS:**

Harrison Black Chartered Accountants  
Registered Auditor  
136/137 Pyle Street  
Newport  
Isle of Wight  
PO30 1JW

**BANKERS:**

Lloyds TSB Plc  
4 West Street  
Havant  
Hampshire  
PO9 1PE

# **KENDALL BROS (PORTSMOUTH) LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2004**

---

The directors present their report with the accounts of the company for the year ended 31st March 2004.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the business of a sand and ballast merchants and a dredging contractor.

The company's subsidiary company, K.R.M. Concrete Limited, carries on the business of a ready mixed concrete supplier.

### **REVIEW OF BUSINESS**

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

The directors consider that the state of the company's affairs is satisfactory.

### **DIVIDENDS**

Interim dividends per share were paid as follows:

0.30	- 1st November 2003
0.30	- 1st February 2004
<hr/>	
0.60	
<hr/>	

The directors recommend a final dividend of 2.00 per share, making a total of 2.60 per share for the year ended 31st March 2004.

The total distribution of dividends for the year ended 31st March 2004 will be £194,350.

### **FUTURE DEVELOPMENTS**

The directors expect the companies earnings to grow in the foreseeable future.

The company continue to look at other potential site locations and opportunities to expand the business.

# KENDALL BROS (PORTSMOUTH) LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2004

### DIRECTORS

The directors during the year under review were:

J W Kendall  
R M Kendall  
P W Kendall  
R C Kendall  
N A Kendall  
N R Kendall  
Mrs M J Coombs  
A J Coombs

The beneficial interests of the directors holding office on 31st March 2004 in the issued share capital of the company were as follows:

	31.3.04	1.4.03
<b>Ordinary £0.25 shares</b>		
J W Kendall	12,466	12,466
R M Kendall	20,550	20,550
P W Kendall	6,829	6,829
R C Kendall	6,729	6,729
N A Kendall	6,832	6,832
N R Kendall	12,566	12,566
Mrs M J Coombs	6,828	6,828
A J Coombs	-	-

### 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.

**KENDALL BROS (PORTSMOUTH) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2004**

---

**AUDITORS**

The auditors, Harrison Black Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

  
.....  
Mrs D Knight-Manson - Secretary

Date: .....14 SEPT 04.....

**REPORT OF THE INDEPENDENT AUDITORS TO  
KENDALL BROS (PORTSMOUTH) LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

---

We have examined the abbreviated accounts on pages six to nineteen, together with the full financial statements of the company for the year ended 31st March 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages six to nineteen are properly prepared in accordance with that provision.



Harrison Black Chartered Accountants  
Registered Auditor  
136/137 Pyle Street  
Newport  
Isle of Wight  
PO30 1JW

Date: ..... 23.09.04 .....

**KENDALL BROS (PORTSMOUTH) LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2004**

	Notes	2004 £	2003 £
<b>GROSS PROFIT</b>		<b>2,177,142</b>	<b>2,256,503</b>
Distribution costs		<b>1,142,740</b>	<b>1,057,526</b>
Administrative expenses		<b>826,273</b>	<b>849,383</b>
		<b>1,969,013</b>	<b>1,906,909</b>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>208,129</b>	<b>349,594</b>
Income from shares in group undertakings		<b>220,000</b>	<b>290,000</b>
Interest receivable and similar income		<b>17,130</b>	<b>10,998</b>
		<b>237,130</b>	<b>300,998</b>
		<b>445,259</b>	<b>650,592</b>
Interest payable and similar charges	<b>4</b>	<b>7,822</b>	<b>5,561</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>437,437</b>	<b>645,031</b>
Tax on profit on ordinary activities	<b>5</b>	<b>46,008</b>	<b>115,165</b>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>391,429</b>	<b>529,866</b>
Dividends	<b>6</b>	<b>194,350</b>	<b>231,725</b>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>197,079</b>	<b>298,141</b>

**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.



**KENDALL BROS (PORTSMOUTH) LIMITED****ABBREVIATED BALANCE SHEET  
31ST MARCH 2004**

		2004		2003	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		2,052,532		1,991,342
Investments	8		20,000		20,000
			<u>2,072,532</u>		<u>2,011,342</u>
<b>CURRENT ASSETS</b>					
Stocks	9	113,347		80,808	
Debtors	10	1,589,716		1,524,429	
Cash at bank and in hand		905,286		736,598	
		<u>2,608,349</u>		<u>2,341,835</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	1,537,900		1,410,697	
<b>NET CURRENT ASSETS</b>			<u>1,070,449</u>		<u>931,138</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,142,981</u>		<u>2,942,480</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(34,919)		(27,157)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		<u>(193,713)</u>		<u>(198,053)</u>
			<u>2,914,349</u>		<u>2,717,270</u>

The notes form part of these abbreviated accounts

**KENDALL BROS (PORTSMOUTH) LIMITED****ABBREVIATED BALANCE SHEET - continued**  
**31ST MARCH 2004**

		2004	2003
	Notes	£	£
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	18,688	18,688
Revaluation reserve	17	265,453	265,453
Capital redemption reserve	17	1,312	1,312
Profit and loss account	17	2,628,896	2,431,817
<b>SHAREHOLDERS' FUNDS</b>	19	<u>2,914,349</u>	<u>2,717,270</u>

These abbreviated accounts 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:**

P W Kendall - Director



R C Kendall - Director

Approved by the Board on .....

**KENDALL BROS (PORTSMOUTH) LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2004**

		2004	2003
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	<b>512,753</b>	<b>720,356</b>
<b>Returns on investments and servicing of finance</b>	2	<b>229,308</b>	<b>295,437</b>
<b>Taxation</b>		<b>(85,428)</b>	<b>(20,242)</b>
<b>Capital expenditure</b>	2	<b>(358,783)</b>	<b>(180,138)</b>
<b>Equity dividends paid</b>		<b>(216,775)</b>	<b>(164,450)</b>
		<b>81,075</b>	<b>650,963</b>
<b>Financing</b>	2	<b>13,926</b>	<b>(70,822)</b>
<b>Increase in cash in the period</b>		<b>95,001</b>	<b>580,141</b>
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
Increase in cash in the period		<b>95,001</b>	<b>580,141</b>
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<b>(13,926)</b>	<b>70,822</b>
Change in net funds resulting from cash flows		<b>81,075</b>	<b>650,963</b>
New finance leases		-	<b>(88,763)</b>
<b>Movement in net funds in the period</b>		<b>81,075</b>	<b>562,200</b>
<b>Net funds at 1st April</b>		<b>634,206</b>	<b>72,006</b>
<b>Net funds at 31st March</b>		<b>715,281</b>	<b>634,206</b>

The notes form part of these abbreviated accounts

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2004****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2004 £	2003 £
Operating profit	208,129	349,594
Depreciation charges	289,881	249,363
Loss on disposal of fixed assets	7,715	16,167
(Increase)/Decrease in stocks	(32,539)	10,767
Increase in debtors	(65,290)	(150,297)
Increase in creditors	104,857	244,762
<b>Net cash inflow from operating activities</b>	<b>512,753</b>	<b>720,356</b>

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

	2004 £	2003 £
<b>Returns on investments and servicing of finance</b>		
Interest received	17,130	10,998
Interest paid	(3,216)	(726)
Interest element of hire purchase payments	(4,606)	(4,835)
Dividends received	220,000	290,000
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>229,308</b>	<b>295,437</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(377,783)	(260,138)
Sale of tangible fixed assets	19,000	80,000
<b>Net cash outflow for capital expenditure</b>	<b>(358,783)</b>	<b>(180,138)</b>
<b>Financing</b>		
Capital repayments in year	13,926	(70,822)
<b>Net cash inflow/(outflow) from financing</b>	<b>13,926</b>	<b>(70,822)</b>

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2004****3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.03 £	Cash flow £	At 31.3.04 £
Net cash:			
Cash at bank and in hand	736,598	168,688	905,286
Bank overdraft	-	(73,687)	(73,687)
	<u>736,598</u>	<u>95,001</u>	<u>831,599</u>
Debt:			
Hire purchase	(102,392)	(13,926)	(116,318)
	<u>(102,392)</u>	<u>(13,926)</u>	<u>(116,318)</u>
Total	<u>634,206</u>	<u>81,075</u>	<u>715,281</u>

The notes form part of these abbreviated accounts

# KENDALL BROS (PORTSMOUTH) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2004

---

### 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 and less trade discounts.

#### **Tangible fixed assets**

Depreciation is calculated to write down the cost or valuation of all tangible fixed assets to their estimated residual value over their estimated useful lives using the straight line method.

The expected useful lives are as follows:-

Buildings	50 Years
Dredgers and Launches	15 Years
Mobile Plant and Cranes	10 Years
Fixed Plant and Machinery	7 Years
Lorries, Tractors and Cars	7 Years
Computers	5 Years

#### **Stocks**

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

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset and remit these earnings. Deferred tax assets and liabilities are not discounted.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### 2. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	792,239	784,160
Social security costs	19,991	27,704
Other pension costs	22,991	20,994
	<u>835,221</u>	<u>832,858</u>

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2004****2. STAFF COSTS - continued**

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

	2004	2003
Transport	15	14
Wharf	19	18
Directors	8	8
Administration	7	7
	<u>49</u>	<u>47</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2004	2003
	£	£
Hire of plant and machinery	99,160	76,973
Other operating leases	48,000	48,000
Depreciation - owned assets	289,878	249,363
Loss on disposal of fixed assets	7,715	16,167
Auditors remuneration - Audit	5,500	5,400
	<u>          </u>	<u>          </u>

Directors' emoluments	<u>248,687</u>	<u>262,290</u>
-----------------------	----------------	----------------

Information regarding the highest paid director is as follows:

	2004	2003
	£	£
Emoluments etc	<u>75,484</u>	<u>77,336</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004	2003
	£	£
Bank interest	3,216	726
Hire purchase	4,606	4,835
	<u>7,822</u>	<u>5,561</u>

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2004****5. TAXATION****Analysis of the tax charge**

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

	2004 £	2003 £
Current tax:		
UK corporation tax	39,545	74,625
Under/over provision in previous years	10,803	-
Total current tax	50,348	74,625
Deferred tax	(4,340)	40,540
Tax on profit on ordinary activities	46,008	115,165

**Factors affecting the tax charge**

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

	2004 £	2003 £
Profit on ordinary activities before tax	437,437	645,031
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.524% (2003 - 25.658%)	94,154	165,502
Effects of:		
Capital allowances in excess of depreciation	(9,169)	(20,420)
Dividends received from group company	(47,353)	(74,408)
Entertaining	743	1,991
Lease premiums disallowed	696	1,120
Legal costs disallowed	474	840
Under/(over) provision in previous years	10,803	-
Current tax charge	50,348	74,625



# KENDALL BROS (PORTSMOUTH) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2004

### 6. DIVIDENDS

	2004 £	2003 £
Equity shares:		
Interim	44,850	59,800
Final	149,500	171,925
	<u>194,350</u>	<u>231,725</u>

### 7. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Dredgers & launches £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st April 2003	518,060	1,927,620	2,043	999,784	3,447,507
Additions	3,157	215,889	-	158,737	377,783
Disposals	-	-	-	(35,217)	(35,217)
At 31st March 2004	<u>521,217</u>	<u>2,143,509</u>	<u>2,043</u>	<u>1,123,304</u>	<u>3,790,073</u>
<b>DEPRECIATION</b>					
At 1st April 2003	8,000	976,054	2,043	470,068	1,456,165
Charge for year	1,653	189,575	-	98,650	289,878
Eliminated on disposal	-	-	-	(8,502)	(8,502)
At 31st March 2004	<u>9,653</u>	<u>1,165,629</u>	<u>2,043</u>	<u>560,216</u>	<u>1,737,541</u>
<b>NET BOOK VALUE</b>					
At 31st March 2004	<u>511,564</u>	<u>977,880</u>	<u>-</u>	<u>563,088</u>	<u>2,052,532</u>
At 31st March 2003	<u>510,060</u>	<u>951,566</u>	<u>-</u>	<u>529,716</u>	<u>1,991,342</u>

Included in land and buildings is freehold land valued at £438,060 (2003 - £438,060) which is not depreciated.

The land and buildings were revalued on an open market value for existing use basis on the 21st October 1997 by Henry Butcher International Asset Consultants.

Assets included in plant and machinery held under finance leases originally cost £297,947 (2003 - £287,642) and have a net book value of £271,158 (2003 - £255,639).

# KENDALL BROS (PORTSMOUTH) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2004

### 8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1st April 2003 and 31st March 2004	<u>20,000</u>
<b>NET BOOK VALUE</b>	
At 31st March 2004	<u>20,000</u>
At 31st March 2003	<u>20,000</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

#### **K.R.M. Concrete Limited**

Nature of business: Concrete and cement suppliers

	% holding	2004 £	2003 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		43,404	37,862
Profit/(Loss) for the year		<u>5,541</u>	<u>(4,778)</u>

The investment consists of 20,000 £1.00 shares in K.R.M. Concrete Limited, representing 100% of the issued share capital.

### 9. STOCKS

	2004 £	2003 £
Raw materials	<u>113,347</u>	<u>80,808</u>

### 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	992,401	947,158
Amounts owed by group undertakings	541,605	445,188
Other debtors	17,841	21,678
Prepayments and accrued income	37,869	110,405
	<u>1,589,716</u>	<u>1,524,429</u>

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2004****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004	2003
	£	£
Bank loans and overdrafts (see note 13)	73,687	-
Hire purchase contracts (see note 14)	81,399	75,235
Trade creditors	634,404	564,475
Corporation tax	39,545	74,625
Social security and other taxes	37,950	54,112
VAT	131,999	104,060
Proposed dividends	149,500	171,925
Other creditors	49,056	91,064
Aggregates levy	105,718	150,517
Accruals and deferred income	234,642	124,684
	<u>1,537,900</u>	<u>1,410,697</u>

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

	2004	2003
	£	£
Hire purchase contracts (see note 14)	<u>34,919</u>	<u>27,157</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2004	2003
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>73,687</u>	<u>-</u>

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2004	2003
	£	£
Net obligations repayable:		
Within one year	81,399	75,235
Between one and five years	34,919	27,157
	<u>116,318</u>	<u>102,392</u>

# KENDALL BROS (PORTSMOUTH) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2004

### 15. PROVISION FOR LIABILITIES AND CHARGES

	2004 £	2003 £
Deferred tax		
Accelerated capital allowances	<u>193,713</u>	<u>198,053</u>
		Deferred tax
		£
Balance at 1st April 2003		198,053
Decrease in provision		(4,340)
Balance at 31st March 2004		<u>193,713</u>

### 16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004 £	2003 £
4,000,000	Ordinary	£0.25	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004 £	2003 £
74,750	Ordinary	£0.25	<u>18,688</u>	<u>18,688</u>

### 17. RESERVES

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st April 2003	2,431,817	265,453	1,312	2,698,582
Retained profit for the year	<u>197,079</u>	<u>-</u>	<u>-</u>	<u>197,079</u>
At 31st March 2004	<u>2,628,896</u>	<u>265,453</u>	<u>1,312</u>	<u>2,895,661</u>

## KENDALL BROS (PORTSMOUTH) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2004

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#### 18. RELATED PARTY DISCLOSURES

During the year the company sold aggregates to its wholly owned subsidiary K.R.M. Concrete Limited to the value of £1,203,691 (2003 - £1,125,621).

The company received £136,708 (2003 - £117,639) from K.R.M. Concrete Limited in relation to the hiring of certain plant and vehicles to the subsidiary company.

The company received management charges of £67,545 (2003 - £53,750) from K.R.M. Concrete Limited in relation to administration and office expenses incurred by the company on behalf of the subsidiary company.

The company also received rent of £46,000 (2003 - £54,000) in respect of land and buildings occupied for the concrete plants used by the subsidiary company.

All of the above transactions were carried out under normal commercial terms.

The company received dividends during the year of £220,000 (2003 - £290,000) from K.R.M. Concrete Limited.

At the year end the company had amounts owing from K.R.M. Concrete Limited totalling £541,605 (2003 - £445,118) in respect of all charges and sales invoiced.

#### 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	391,429	529,866
Dividends	(194,350)	(231,725)
<b>Net addition to shareholders' funds</b>	<b>197,079</b>	<b>298,141</b>
Opening shareholders' funds	2,717,270	2,419,129
<b>Closing shareholders' funds</b>	<b>2,914,349</b>	<b>2,717,270</b>
Equity interests	2,914,349	2,717,270