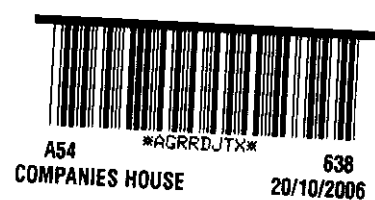


ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006
FOR
KENDALL BROS (PORTSMOUTH) LIMITED



KENDALL BROS (PORTSMOUTH) LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2006**

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KENDALL BROS (PORTSMOUTH) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2006**

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: B W Chambers

REGISTERED OFFICE: Kendall's Wharf
Eastern Road
Portsmouth
Hampshire
PO3 5LY

REGISTERED NUMBER: 478188 (England and Wales)

AUDITORS: Harrison Black Limited
Registered Auditors
Pyle House
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 2006

The directors present their report with the accounts of the company for the year ended 31st March 2006.

PRINCIPAL ACTIVITY

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

The company's subsidiary, K.R.M. Concrete Limited, carried 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 company's profits have been reduced in the year under review due to two significant issues:-

Firstly in April 2005 there was a three fold increase in harbour dues at the Langstone operation which resulted in charges increasing without any recovery from the market.

Secondly for three months commencing October 2005 the company's supply ship had an unexpected refit. Backup arrangements only achieved minimal amounts of raw material being available and added on costs to support the business cut heavily into the year's profits.

DIVIDENDS

Interim dividends per share were paid as follows: £0.40 on the 3rd May 2005, £0.40 on the 3rd August 2005 and £0.75 on the 15th February 2006.

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 2006

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 2006 in the issued share capital of the company were as follows:

	31.3.06	1.4.05
Ordinary £0.25 shares		
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

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

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 234ZA of the Companies Act 1985) 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.


KENDALL BROS (PORTSMOUTH) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2006**

AUDITORS

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

ON BEHALF OF THE BOARD:


.....

R C Kendall - Director

Date: 11th August 2006

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

We have examined the abbreviated accounts set out on pages six to twenty, together with the financial statements of Kendall Bros (Portsmouth) Limited for the year ended 31st March 2006 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Harrison Black Limited

Harrison Black Limited
Registered Auditors
Pyle House
136/137 Pyle Street
Newport
Isle of Wight
PO30 1JW

Date: *26th August 2006*

KENDALL BROS (PORTSMOUTH) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2006**

	Notes	2006 £	2005 £
GROSS PROFIT		2,179,213	2,518,592
Distribution costs		1,407,592	1,290,276
Administrative expenses		886,311	881,348
		<u>2,293,903</u>	<u>2,171,624</u>
OPERATING (LOSS)/PROFIT	3	(114,690)	346,968
Income from shares in group undertakings		185,000	180,000
Interest receivable and similar income		15,366	25,182
		<u>200,366</u>	<u>205,182</u>
		85,676	552,150
Interest payable and similar charges	5	14,265	11,299
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		71,411	540,851
Tax on profit on ordinary activities	6	(36,754)	103,563
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>108,165</u>	<u>437,288</u>

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 profits for the current year or previous year.

KENDALL BROS (PORTSMOUTH) LIMITED**ABBREVIATED BALANCE SHEET
31ST MARCH 2006**

		2006		2005	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,143,337		2,205,115
Investments	9		20,000		20,000
			<u>2,163,337</u>		<u>2,225,115</u>
CURRENT ASSETS					
Stocks	10	103,733		210,579	
Debtors	11	2,472,928		1,684,603	
Cash at bank and in hand		5,459		516,266	
		<u>2,582,120</u>		<u>2,411,448</u>	
CREDITORS					
Amounts falling due within one year	12	1,188,413		1,071,028	
		<u>1,188,413</u>		<u>1,071,028</u>	
NET CURRENT ASSETS			<u>1,393,707</u>		<u>1,340,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,557,044</u>		<u>3,565,535</u>
CREDITORS					
Amounts falling due after more than one year	13		(81,627)		(50,958)
PROVISIONS FOR LIABILITIES			<u>(183,803)</u>		<u>(215,265)</u>
NET ASSETS			<u><u>3,291,614</u></u>		<u><u>3,299,312</u></u>

The notes form part of these abbreviated accounts

KENDALL BROS (PORTSMOUTH) LIMITED**ABBREVIATED BALANCE SHEET - continued**
31ST MARCH 2006

		2006		2005	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
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		3,006,161		3,013,859
			<u> </u>		<u> </u>
SHAREHOLDERS' FUNDS	19		<u>3,291,614</u>		<u>3,299,312</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.

The financial statements were approved by the Board of Directors on 11th August 2006 and were signed on its behalf by:

P W Kendall
P W Kendall - Director

R C Kendall
R C Kendall - Director

The notes form part of these abbreviated accounts

KENDALL BROS (PORTSMOUTH) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2006**

	Notes	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	1	(231,536)	167,783
Returns on investments and servicing of finance	2	186,101	193,883
Taxation		(72,320)	(49,236)
Capital expenditure	2	(361,825)	(454,929)
Equity dividends paid		(115,863)	(201,825)
		<u>(595,443)</u>	<u>(344,324)</u>
Financing	2	84,636	28,991
Decrease in cash in the period		<u>(510,807)</u>	<u>(315,333)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(510,807)	(315,333)
Cash inflow from increase in debt and lease financing		<u>(76,536)</u>	<u>(28,991)</u>
Change in net funds resulting from cash flows		<u>(587,343)</u>	<u>(344,324)</u>
Movement in net funds in the period		<u>(587,343)</u>	<u>(344,324)</u>
Net funds at 1st April		<u>370,957</u>	<u>715,281</u>
Net (debt)/funds at 31st March		<u>(216,386)</u>	<u>370,957</u>

The notes form part of these abbreviated accounts

KENDALL BROS (PORTSMOUTH) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2006**

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

	2006	2005
	£	£
Operating (loss)/profit	(114,690)	346,968
Depreciation charges	426,653	305,434
Profit on disposal of fixed assets	(3,050)	(3,087)
Decrease/(Increase) in stocks	106,846	(97,232)
Increase in debtors	(788,325)	(94,888)
Increase/(Decrease) in creditors	141,030	(289,412)
Net cash (outflow)/inflow from operating activities	(231,536)	167,783

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

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	15,366	25,182
Interest paid	(3,460)	(3,876)
Interest element of hire purchase payments	(10,805)	(7,423)
Dividends received	185,000	180,000
Net cash inflow for returns on investments and servicing of finance	186,101	193,883
Capital expenditure		
Purchase of tangible fixed assets	(403,125)	(507,419)
Sale of tangible fixed assets	41,300	52,490
Net cash outflow for capital expenditure	(361,825)	(454,929)
Financing		
Capital repayments in year	76,536	28,991
Amount introduced by directors	8,100	-
Net cash inflow from financing	84,636	28,991

The notes form part of these abbreviated accounts

KENDALL BROS (PORTSMOUTH) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2006**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.05	Cash flow	At
	£	£	31.3.06
Net cash:			£
Cash at bank and in hand	<u>516,266</u>	<u>(510,807)</u>	<u>5,459</u>
	<u>516,266</u>	<u>(510,807)</u>	<u>5,459</u>
Debt:			
Hire purchase	<u>(145,309)</u>	<u>(76,536)</u>	<u>(221,845)</u>
	<u>(145,309)</u>	<u>(76,536)</u>	<u>(221,845)</u>
Total	<u>370,957</u>	<u>(587,343)</u>	<u>(216,386)</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2006

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 material 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 on a straight line basis over the period of the lease.

Pensions

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

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006****2. STAFF COSTS**

	2006	2005
	£	£
Wages and salaries	872,418	863,928
Social security costs	25,101	27,764
Other pension costs	21,801	15,785
	<u>919,320</u>	<u>907,477</u>

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

	2006	2005
Transport	17	15
Wharf	22	21
Directors	8	8
Administration	8	7
	<u>55</u>	<u>51</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging/(crediting):

	2006	2005
	£	£
Hire of plant and machinery	80,776	78,423
Other operating leases	48,000	48,000
Depreciation - owned assets	426,653	305,434
Profit on disposal of fixed assets	(3,050)	(3,087)
Auditors remuneration - Audit	5,900	7,400
	<u>244,891</u>	<u>260,009</u>

Information regarding the highest paid director is as follows:

	2006	2005
	£	£
Emoluments etc	<u>70,604</u>	<u>76,814</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2006

4. EXCEPTIONAL ITEMS

During the year the Directors re-evaluated the residual values of fixed assets to ensure depreciation charged in future accounting periods accurately represents the write off on cost of fixed assets over their remaining useful economic lives.

This resulted in additional depreciation being charged in the year on plant & machinery of £39,228 and motor vehicles of £73,715.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Bank interest	3,460	3,876
Hire purchase	10,805	7,423
	<u>14,265</u>	<u>11,299</u>

6. TAXATION

Analysis of the tax (credit)/charge

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

	2006	2005
	£	£
Current tax:		
UK corporation tax	-	72,320
Under/over provision in previous years	(5,292)	9,691
Total current tax	<u>(5,292)</u>	<u>82,011</u>
Deferred tax	<u>(31,462)</u>	<u>21,552</u>
Tax on profit on ordinary activities	<u>(36,754)</u>	<u>103,563</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006****6. TAXATION - continued****Factors affecting the tax (credit)/charge**

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

	2006 £	2005 £
Profit on ordinary activities before tax	<u>71,411</u>	<u>540,851</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	21,423	162,255
Effects of:		
Capital allowances in excess of depreciation	27,913	(24,065)
Dividends received from group company	(55,500)	(54,000)
Entertaining	1,316	950
Loss relief utilised against prior year profits	4,848	-
Marginal relief for small companies	-	(12,820)
Under/(over) provision in previous years	<u>(5,292)</u>	<u>9,691</u>
Current tax (credit)/charge	<u>(5,292)</u>	<u>82,011</u>

7. DIVIDENDS

	2006 £	2005 £
Equity shares:		
Interim	<u>115,863</u>	<u>52,325</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2006

8. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Dredgers & launches £	Motor vehicles £	Totals £
COST					
At 1st April 2005	521,217	2,404,279	2,043	1,080,665	4,008,204
Additions	-	96,161	-	306,964	403,125
Disposals	-	-	-	(118,950)	(118,950)
At 31st March 2006	521,217	2,500,440	2,043	1,268,679	4,292,379
DEPRECIATION					
At 1st April 2005	11,379	1,336,330	2,043	453,337	1,803,089
Charge for year	1,726	250,044	-	174,883	426,653
Eliminated on disposal	-	-	-	(80,700)	(80,700)
At 31st March 2006	13,105	1,586,374	2,043	547,520	2,149,042
NET BOOK VALUE					
At 31st March 2006	508,112	914,066	-	721,159	2,143,337
At 31st March 2005	509,838	1,067,949	-	627,328	2,205,115

Included in cost of land and buildings is freehold land of £438,060 (2005 - £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 motor vehicles held under finance leases originally cost £434,240 (2005 - £361,235) and have a net book value of £384,797 (2005 - £328,428).

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st April 2005 and 31st March 2006	20,000
NET BOOK VALUE	
At 31st March 2006	20,000
At 31st March 2005	20,000

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006****9. FIXED ASSET INVESTMENTS - continued**

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

Class of shares:	% holding	2006 £	2005 £
Ordinary	100.00		
Aggregate capital and reserves		51,394	45,668
Profit for the year		5,726	1,864

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

10. STOCKS

	2006 £	2005 £
Raw materials	103,733	210,579

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	1,035,299	1,075,933
Amounts owed by group undertakings	1,376,804	562,375
Other debtors	30,794	14,163
Prepayments and accrued income	30,031	32,132
	2,472,928	1,684,603

KENDALL BROS (PORTSMOUTH) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST MARCH 2006**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Hire purchase contracts (see note 14)	140,218	94,351
Trade creditors	710,203	526,245
Corporation tax	(5,292)	72,320
Social security and other taxes	42,395	58,056
VAT	48,874	84,789
Other creditors	12,380	36,485
Aggregates levy	75,418	90,277
Directors' loan accounts	8,100	-
Accruals and deferred income	156,117	108,505
	<u>1,188,413</u>	<u>1,071,028</u>

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

	2006	2005
	£	£
Hire purchase contracts (see note 14)	<u>81,627</u>	<u>50,958</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2006	2005
	£	£
Net obligations repayable:		
Within one year	140,218	94,351
Between one and five years	81,627	50,958
	<u>221,845</u>	<u>145,309</u>

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

	Land and buildings	
	2006	2005
	£	£
Expiring:		
Between one and five years	<u>48,000</u>	<u>48,000</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2006

15. PROVISIONS FOR LIABILITIES

	2006 £	2005 £
Deferred tax		
Accelerated capital allowances	<u>183,803</u>	<u>215,265</u>
		Deferred tax £
Balance at 1st April 2005		215,265
Decrease in provision		<u>(31,462)</u>
Balance at 31st March 2006		<u>183,803</u>

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2006 £	2005 £
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:	2006 £	2005 £
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 2005	3,013,859	265,453	1,312	3,280,624
Profit for the year	108,165			108,165
Dividends	<u>(115,863)</u>			<u>(115,863)</u>
At 31st March 2006	<u>3,006,161</u>	<u>265,453</u>	<u>1,312</u>	<u>3,272,926</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2006

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 £1,806,139 (2005 - £1,180,542).

The company received £71,117 (2005 - £137,286) 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 £71,620 (2005 - £65,551) 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 (2005 - £46,000) 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 £185,000 (2005 - £180,000) from K.R.M. Concrete Limited.

At the year end the company had amounts owing from K.R.M. Concrete Limited totalling £1,376,804 (2005 - £562,375) in respect of all charges and sales invoiced.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	108,165	437,288
Dividends	(115,863)	(52,325)
Net (reduction)/addition to shareholders' funds	(7,698)	384,963
Opening shareholders' funds	3,299,312	2,914,349
Closing shareholders' funds	3,291,614	3,299,312
 Equity interests	 3,291,614	 3,299,312