

KENDALL BROS (PORTSMOUTH) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2007

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KENDALL BROS (PORTSMOUTH) LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2007**

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KENDALL BROS (PORTSMOUTH) LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31ST MARCH 2007

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 2007

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2007

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of a sand / ballast merchant and concrete / cement suppliers

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements

The directors are pleased to report another successful trading year

There has been an increase in group turnover on the previous year of 25.1%

The gross profit percentage in the year was 33.8% which was an decrease of 0.08% on the previous year. With the increase in turnover, the value of gross profit has increased by £714,329.

The overall growth performance of the group has been very satisfactory, and has enabled retained profits to be maintained as expected, notwithstanding the ever increasing costs of distribution and administrative expenses.

The group's balance sheet continues to be strong as a result of retained profits, with the return on capital employed being a satisfactory 9.7% (2006 - 3.4%). The balance sheet also shows strong liquidity with minimal borrowings and high levels of cash being available.

The group has expectations towards expanding the number of concrete plants which will further increase its potential profitability by continuing a capital replacement programme to ensure all resources are available to maintain its strong position in the future.

The group places great emphasis on quality systems, health & safety policies and is committed to ensuring future environmental requirements are addressed.

Whilst the future of the group appears positive and encouraging, it operates in an extremely competitive market which can be affected by changes in Government Policy on building and construction, and by outside influences such as weather conditions, which in turn affect the level of construction activity, and therefore the demand for aggregates and concrete products.

DIVIDENDS

Interim dividends per share were paid as follows: £0.60 on the 10th April 2006, £0.40 on the 30th June 2006, £0.40 on the 30th September 2006, £0.40 on the 30th December 2006 and £0.40 on the 30th March 2007.

The total distribution of dividends for the year ended 31st March 2007 was £164,450 (2006 - £115,863).

KENDALL BROS (PORTSMOUTH) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2007

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 2007 in the issued share capital of the company were as follows

	31 3 07	1 4 06
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 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). The financial statements are required by law to 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 group 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 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 the group 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 the group 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 2007**

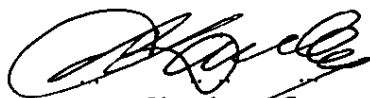
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group'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 group's auditors are aware of that information

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:



B W Chambers - Secretary

Date 7/12/07

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KENDALL BROS (PORTSMOUTH) LIMITED

We have audited the financial statements of Kendall Bros (Portsmouth) Limited for the year ended 31st March 2007 on pages seven to twenty five. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 whether in our opinion the information given in 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 consider the implications for our report if we 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KENDALL BROS (PORTSMOUTH) LIMITED**

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 affairs of the company and the group as at 31st March 2007 and of the profit of the group 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

Harrison Black Limited

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

Date *11th December 2007*

KENDALL BROS (PORTSMOUTH) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2007**

	Notes	2007 £	2006 £
TURNOVER		11,523,555	9,210,653
Cost of sales		<u>7,624,110</u>	<u>6,025,537</u>
GROSS PROFIT		3,899,445	3,185,116
Distribution costs		2,357,209	2,061,791
Administrative expenses		<u>1,107,785</u>	<u>1,000,106</u>
		3,464,994	3,061,897
		434,451	123,219
Other operating income		<u>3,750</u>	<u>-</u>
OPERATING PROFIT	3	438,201	123,219
Interest receivable and similar income		<u>47,461</u>	<u>30,778</u>
		485,662	153,997
Interest payable and similar charges	4	<u>20,661</u>	<u>14,265</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		465,001	139,732
Tax on profit on ordinary activities	5	<u>123,942</u>	<u>25,840</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>341,059</u>	<u>113,892</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**CONSOLIDATED BALANCE SHEET
31ST MARCH 2007**

		2007		2006	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,279,414		2,143,336
Investments	9		-		-
			<u>2,279,414</u>		<u>2,143,336</u>
CURRENT ASSETS					
Stocks	10	155,516		120,172	
Debtors	11	2,597,470		2,295,352	
Cash at bank and in hand		1,390,292		633,048	
		<u>4,143,278</u>		<u>3,048,572</u>	
CREDITORS					
Amounts falling due within one year	12	2,554,506		<u>1,603,469</u>	
NET CURRENT ASSETS			<u>1,588,772</u>		<u>1,445,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,868,186		3,588,439
CREDITORS					
Amounts falling due after more than one year	13		(163,835)		(81,627)
PROVISIONS FOR LIABILITIES	15		<u>(204,733)</u>		<u>(183,803)</u>
NET ASSETS			<u><u>3,499,618</u></u>		<u><u>3,323,009</u></u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**CONSOLIDATED BALANCE SHEET - continued**
31ST MARCH 2007

		2007	2006
	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	3,214,165	3,037,556
SHAREHOLDERS' FUNDS	19	<u>3,499,618</u>	<u>3,323,009</u>

The financial statements were approved by the Board of Directors on 7/12/07 and were signed on its behalf by



R C Kendall - Director



P W Kendall - Director



N A Kendall - Director

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**COMPANY BALANCE SHEET
31ST MARCH 2007**

		2007		2006	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,279,414		2,143,336
Investments	9		20,000		20,000
			<u>2,299,414</u>		<u>2,163,336</u>
CURRENT ASSETS					
Stocks	10	136,709		103,733	
Debtors	11	3,232,663		2,472,928	
Cash at bank and in hand		133,497		5,459	
		<u>3,502,869</u>		<u>2,582,120</u>	
CREDITORS					
Amounts falling due within one year	12	1,964,577		1,188,412	
NET CURRENT ASSETS			<u>1,538,292</u>		<u>1,393,708</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,837,706</u>		<u>3,557,044</u>
CREDITORS					
Amounts falling due after more than one year	13		(163,835)		(81,627)
PROVISIONS FOR LIABILITIES	15		<u>(204,733)</u>		<u>(183,803)</u>
NET ASSETS			<u><u>3,469,138</u></u>		<u><u>3,291,614</u></u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED

COMPANY BALANCE SHEET - continued
31ST MARCH 2007

		2007	2006
	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	3,183,685	3,006,161
SHAREHOLDERS' FUNDS	19	<u>3,469,138</u>	<u>3,291,614</u>

The financial statements were approved by the Board of Directors on 7 / 12 / 07 and were signed on its behalf by



P W Kendall - Director



R C Kendall - Director

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2007**

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	1,350,166	410,726
Returns on investments and servicing of finance	2	26,800	16,513
Taxation		(57,302)	(130,716)
Capital expenditure	2	(505,300)	(361,825)
Equity dividends paid		(164,450)	(115,863)
		649,914	(181,165)
Financing	2	107,330	84,636
Increase/(Decrease) in cash in the period		757,244	(96,529)
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		757,244	(96,529)
Cash inflow from increase in debt and lease financing		(111,330)	(76,536)
Change in net funds resulting from cash flows		645,914	(173,065)
Movement in net funds in the period		645,914	(173,065)
Net funds at 1st April		411,203	584,268
Net funds at 31st March		1,057,117	411,203

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2007****1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2007	2006
	£	£
Operating profit	438,201	123,219
Depreciation charges	373,530	426,655
Profit on disposal of fixed assets	(4,308)	(3,050)
(Increase)/Decrease in stocks	(35,344)	100,127
Increase in debtors	(302,118)	(518,341)
Increase in creditors	880,205	282,116
Net cash inflow from operating activities	1,350,166	410,726

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

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	47,461	30,778
Interest paid	(3,427)	(3,460)
Interest element of hire purchase payments	(17,234)	(10,805)
Net cash inflow for returns on investments and servicing of finance	26,800	16,513
Capital expenditure		
Purchase of tangible fixed assets	(545,681)	(403,125)
Sale of tangible fixed assets	40,381	41,300
Net cash outflow for capital expenditure	(505,300)	(361,825)
Financing		
Capital repayments in year	111,330	76,536
Amount introduced by directors	-	8,100
Amount withdrawn by directors	(4,000)	-
Net cash inflow from financing	107,330	84,636

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2007****3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.06 £	Cash flow £	At 31.3.07 £
Net cash			
Cash at bank and in hand	633,048	757,244	1,390,292
	<u>633,048</u>	<u>757,244</u>	<u>1,390,292</u>
Debt			
Hire purchase	(221,845)	(111,330)	(333,175)
	<u>(221,845)</u>	<u>(111,330)</u>	<u>(333,175)</u>
Total	<u>411,203</u>	<u>645,914</u>	<u>1,057,117</u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

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

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
Computer Equipment	5 Years
Fixtures and Fittings	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 group 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 FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2007****2 STAFF COSTS**

	2007	2006
	£	£
Wages and salaries	1,406,206	1,205,834
Social security costs	29,080	24,416
Other pension costs	20,449	21,801
	<u>1,455,735</u>	<u>1,252,051</u>

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

	2007	2006
Transport	27	24
Wharf	22	22
Concrete	5	5
Directors	8	8
Administration	8	8
	<u>70</u>	<u>67</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Hire of plant and machinery	134,796	105,526
Other operating leases	70,500	48,000
Depreciation - owned assets	373,533	426,654
Profit on disposal of fixed assets	(4,304)	(3,050)
Auditors' remuneration	8,850	8,520
	<u>275,952</u>	<u>237,864</u>

Information regarding the highest paid director is as follows

	2007	2006
	£	£
Emoluments etc	<u>79,039</u>	<u>70,604</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2007****4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2007	2006
	£	£
Bank interest	3,427	3,460
Hire purchase	17,234	10,805
	<u>20,661</u>	<u>14,265</u>

5 TAXATION**Analysis of the tax charge**

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

	2007	2006
	£	£
Current tax		
UK corporation tax	103,012	62,594
Under/over provision in previous years	-	(5,292)
Total current tax	<u>103,012</u>	<u>57,302</u>
Deferred tax	<u>20,930</u>	<u>(31,462)</u>
Tax on profit on ordinary activities	<u>123,942</u>	<u>25,840</u>

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

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>465,001</u>	<u>139,732</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	139,500	41,920
Effects of		
Capital allowances in excess of depreciation	(12,299)	27,913
Entertaining	2,066	1,552
Loss relief utilised against prior year profits	-	4,848
Marginal relief for small companies	(26,255)	(13,639)
Under/(over) provision in previous years	-	(5,292)
Current tax charge	<u>103,012</u>	<u>57,302</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2007****6 PROFIT OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £341,974 (2006 - £108,165)

7 DIVIDENDS

	2007 £	2006 £
Ordinary shares of £0.25 each		
Interim	<u>164,450</u>	<u>115,863</u>

8 TANGIBLE FIXED ASSETS**Group**

	Freehold property £	Plant & machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st April 2006	521,217	2,500,442	2,043	1,268,680	4,292,382
Additions	21,416	230,496	-	293,769	545,681
Disposals	-	(134,250)	-	(65,903)	(200,153)
At 31st March 2007	<u>542,633</u>	<u>2,596,688</u>	<u>2,043</u>	<u>1,496,546</u>	<u>4,637,910</u>
DEPRECIATION					
At 1st April 2006	13,105	1,586,373	2,043	547,518	2,149,039
Charge for year	3,140	211,738	-	158,655	373,533
Eliminated on disposal	-	(114,250)	-	(49,826)	(164,076)
At 31st March 2007	<u>16,245</u>	<u>1,683,861</u>	<u>2,043</u>	<u>656,347</u>	<u>2,358,496</u>
NET BOOK VALUE					
At 31st March 2007	<u>526,388</u>	<u>912,827</u>	<u>-</u>	<u>840,199</u>	<u>2,279,414</u>
At 31st March 2006	<u>508,112</u>	<u>914,069</u>	<u>-</u>	<u>721,162</u>	<u>2,143,343</u>

Included in cost of land and buildings is freehold land of £438,060 (2006 - £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

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2007****8 TANGIBLE FIXED ASSETS - continued****Group**

Assets included in motor vehicles held under finance leases originally cost £580,734 (2006 - £434,240) and have a net book value of £488,297 (2006 - £384,797)

Assets included in plant and machinery held under finance leases originally cost £103,300 (2006 - nil) and have a net book value of £94,375 (2006 - nil)

Company

	Freehold property £	Plant & machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st April 2006	521,217	2,500,442	2,043	1,268,680	4,292,382
Additions	21,416	230,496	-	293,769	545,681
Disposals	-	(134,250)	-	(65,903)	(200,153)
At 31st March 2007	542,633	2,596,688	2,043	1,496,546	4,637,910
DEPRECIATION					
At 1st April 2006	13,105	1,586,373	2,043	547,518	2,149,039
Charge for year	3,140	211,738	-	158,655	373,533
Eliminated on disposal	-	(114,250)	-	(49,826)	(164,076)
At 31st March 2007	16,245	1,683,861	2,043	656,347	2,358,496
NET BOOK VALUE					
At 31st March 2007	526,388	912,827	-	840,199	2,279,414
At 31st March 2006	508,112	914,069	-	721,162	2,143,343

Included in land and buildings is freehold land valued at £438,060 (2006 - £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 £580,734 (2006 - £434,240) and have a net book value of £448,297 (2006 - £384,797)

Assets included in plant and machinery held under finance leases originally cost £103,300 (2006 - nil) and have a net book value of £94,375 (2006 - nil)

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2007

9 FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1st April 2006
and 31st March 2007

20,000

NET BOOK VALUE

At 31st March 2007

20,000

At 31st March 2006

20,000

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

Subsidiary

K.R.M. Concrete Limited

Nature of business Concrete and cement suppliers

Class of shares	% holding	2007	2006
		£	£
Ordinary	100 00	50,484	51,394
Aggregate capital and reserves		(910)	5,726
(Loss)/Profit for the year			

10 STOCKS

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Raw materials	155,516	120,172	136,709	103,733

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2007

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	2,260,850	2,219,312	1,211,716	1,035,299
Amounts owed by group undertakings	-	-	1,689,625	1,376,804
Other debtors	257,959	30,794	257,709	30,794
Prepayments and accrued income	78,661	45,246	73,613	30,031
	<u>2,597,470</u>	<u>2,295,352</u>	<u>3,232,663</u>	<u>2,472,928</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Hire purchase contracts (see note 14)	169,340	140,218	169,340	140,218
Trade creditors	1,655,650	1,079,473	1,193,110	710,202
Corporation tax	103,012	57,302	24,154	(5,292)
Social security and other taxes	77,729	54,060	65,714	42,395
VAT	125,319	13,260	103,834	48,874
Other creditors	84,553	14,729	74,891	12,380
Aggregates levy	118,769	75,418	118,769	75,418
Directors' loan accounts	4,100	8,100	4,100	8,100
Accruals and deferred income	216,034	160,909	210,665	156,117
	<u>2,554,506</u>	<u>1,603,469</u>	<u>1,964,577</u>	<u>1,188,412</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Hire purchase contracts (see note 14)	<u>163,835</u>	<u>81,627</u>	<u>163,835</u>	<u>81,627</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2007

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2007	2006
	£	£
Net obligations repayable		
Within one year	169,340	140,218
Between one and five years	163,835	81,627
	<u>333,175</u>	<u>221,845</u>

Company

	Hire purchase contracts	
	2007	2006
	£	£
Net obligations repayable		
Within one year	169,340	140,218
Between one and five years	163,835	81,627
	<u>333,175</u>	<u>221,845</u>

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

Company

	Land and buildings	
	2007	2006
	£	£
Expiring		
Between one and five years	<u>63,000</u>	<u>48,000</u>

15 PROVISIONS FOR LIABILITIES

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Deferred tax	<u>204,733</u>	<u>183,803</u>	<u>204,733</u>	<u>183,803</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2007

15 PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1st April 2006	183,803
Increase in provision	20,930
	<u>204,733</u>
Balance at 31st March 2007	<u>204,733</u>

Company

	Deferred tax £
Balance at 1st April 2006	183,803
Increase in provision	20,930
	<u>204,733</u>
Balance at 31st March 2007	<u>204,733</u>

16 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
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	2007 £	2006 £
74,750	Ordinary	£0 25	<u>18,688</u>	<u>18,688</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2007

17 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st April 2006	3,037,556	265,453	1,312	3,304,321
Profit for the year	341,059			341,059
Dividends	(164,450)			(164,450)
At 31st March 2007	<u>3,214,165</u>	<u>265,453</u>	<u>1,312</u>	<u>3,480,930</u>

Company

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st April 2006	3,006,161	265,453	1,312	3,272,926
Profit for the year	341,974			341,974
Dividends	(164,450)			(164,450)
At 31st March 2007	<u>3,183,685</u>	<u>265,453</u>	<u>1,312</u>	<u>3,450,450</u>

18 CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted but not provided for in the financial statements	<u>613,000</u>	<u>-</u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2007 £	2006 £
Profit for the financial year	341,059	113,892
Dividends	(164,450)	(115,863)
Net addition/(reduction) to shareholders' funds	<u>176,609</u>	<u>(1,971)</u>
Opening shareholders' funds	<u>3,323,009</u>	<u>3,324,980</u>
Closing shareholders' funds	<u>3,499,618</u>	<u>3,323,009</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2007

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2007	2006
	£	£
Profit for the financial year	341,974	108,165
Dividends	(164,450)	(115,863)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	177,524	(7,698)
Opening shareholders' funds	3,291,614	3,299,312
	<hr/>	<hr/>
Closing shareholders' funds	3,469,138	3,291,614
	<hr/>	<hr/>