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KENDALL BROS (PORTSMOUTH) LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2008

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KENDALL BROS (PORTSMOUTH) LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2008**

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KENDALL BROS (PORTSMOUTH) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2008**

DIRECTORS: J W 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 2008

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2008

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 14.9%

The gross profit percentage in the year was 32.4% which is an decrease of 1.7% on the previous year. With the increase in turnover, the value of gross profit has increased by £366,916

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 10.0% (2007 - 9.7%). 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: £0.40 on the 30th June 2007, £0.80 on the 1st October 2007, £0.40 on the 31st December 2007 and £0.40 on the 31st March 2008

KENDALL BROS (PORTSMOUTH) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2008

DIRECTORS

The directors during the year under review were

J W Kendall	
R M Kendall	- deceased 10 2 08
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 2008 in the issued share capital of the company were as follows

	31.3 08	1 4 07
Ordinary £0.25 shares		
J W Kendall	12,466	12,466
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 2008**

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 14 / 11 / 08

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 2008 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 2008 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 *19th November 2008*

KENDALL BROS (PORTSMOUTH) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2008**

	Notes	2008	2007
		£	£
TURNOVER		13,244,185	11,523,555
Cost of sales		<u>8,947,380</u>	<u>7,593,666</u>
GROSS PROFIT		4,296,805	3,929,889
Distribution costs		2,559,155	2,357,208
Administrative expenses		<u>1,207,560</u>	<u>1,138,230</u>
		3,766,715	3,495,438
		<u>530,090</u>	<u>434,451</u>
Other operating income		<u>3,754</u>	<u>3,750</u>
OPERATING PROFIT	3	533,844	438,201
Interest receivable and similar income		<u>59,955</u>	<u>47,461</u>
		593,799	485,662
Interest payable and similar charges	4	<u>27,237</u>	<u>20,661</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		566,562	465,001
Tax on profit on ordinary activities	5	<u>195,837</u>	<u>123,942</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		370,725	341,059

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 2008**

		2008		2007	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		3,183,366		2,279,414
Investments	9		-		-
			<u>3,183,366</u>		<u>2,279,414</u>
CURRENT ASSETS					
Stocks	10	212,422		155,516	
Debtors	11	2,433,905		2,597,470	
Cash at bank and in hand		1,392,635		1,390,292	
		<u>4,038,962</u>		<u>4,143,278</u>	
CREDITORS					
Amounts falling due within one year	12	2,942,216		2,554,506	
NET CURRENT ASSETS			<u>1,096,746</u>		<u>1,588,772</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,280,112</u>		<u>3,868,186</u>
CREDITORS					
Amounts falling due after more than one year	13		(252,576)		(163,835)
PROVISIONS FOR LIABILITIES	15		<u>(306,693)</u>		<u>(204,733)</u>
NET ASSETS			<u><u>3,720,843</u></u>		<u><u>3,499,618</u></u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED

CONSOLIDATED BALANCE SHEET - continued
31ST MARCH 2008

		2008		2007	
	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		3,435,390		3,214,165
SHAREHOLDERS' FUNDS	19		<u>3,720,843</u>		<u>3,499,618</u>

The financial statements were approved by the Board of Directors on 14 / 11 / 08
signed on its behalf by

and were



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 2008**

		2008		2007	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		3,183,366		2,279,414
Investments	9		20,000		20,000
			<u>3,203,366</u>		<u>2,299,414</u>
CURRENT ASSETS					
Stocks	10	195,963		136,709	
Debtors	11	2,048,829		3,232,663	
Cash at bank and in hand		1,012,434		133,497	
		<u>3,257,226</u>		<u>3,502,869</u>	
CREDITORS					
Amounts falling due within one year	12	2,211,622		1,964,577	
NET CURRENT ASSETS			<u>1,045,604</u>		<u>1,538,292</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,248,970</u>		<u>3,837,706</u>
CREDITORS					
Amounts falling due after more than one year	13		(252,576)		(163,835)
PROVISIONS FOR LIABILITIES	15		<u>(306,693)</u>		<u>(204,733)</u>
NET ASSETS			<u><u>3,689,701</u></u>		<u><u>3,469,138</u></u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED

COMPANY BALANCE SHEET - continued
31ST MARCH 2008

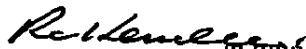
		2008		2007	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	16		18,688		18,688
Revaluation reserve	17		265,453		265,453
Capital redemption reserve	17		1,312		1,312
Profit and loss account	17		3,404,248		3,183,685
SHAREHOLDERS' FUNDS	19		<u>3,689,701</u>		<u>3,469,138</u>

The financial statements were approved by the Board of Directors on
signed on its behalf by.

and were



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 2008**

		2008		2007	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		1,395,231		1,350,166
Returns on investments and servicing of finance	2		32,718		26,800
Taxation			(103,012)		(57,302)
Capital expenditure	2		(1,387,884)		(505,300)
Equity dividends paid			(149,500)		(164,450)
			(212,447)		649,914
Financing	2		214,790		107,330
Increase in cash in the period			2,343		757,244
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		2,343		757,244	
Cash inflow from increase in debt and lease financing		(218,890)		(111,330)	
Change in net funds resulting from cash flows			(216,547)		645,914
Movement in net funds in the period			(216,547)		645,914
Net funds at 1st April			1,057,117		411,203
Net funds at 31st March			840,570		1,057,117

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2008****1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008	2007
	£	£
Operating profit	533,844	438,201
Depreciation charges	476,376	373,530
Loss/(Profit) on disposal of fixed assets	7,556	(4,308)
Increase in stocks	(56,906)	(35,344)
Decrease/(Increase) in debtors	163,565	(302,118)
Increase in creditors	270,796	880,205
Net cash inflow from operating activities	<u>1,395,231</u>	<u>1,350,166</u>

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

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	59,955	47,461
Interest paid	-	(3,427)
Interest element of hire purchase payments	(27,237)	(17,234)
Net cash inflow for returns on investments and servicing of finance	<u>32,718</u>	<u>26,800</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,446,300)	(545,681)
Sale of tangible fixed assets	58,416	40,381
Net cash outflow for capital expenditure	<u>(1,387,884)</u>	<u>(505,300)</u>
Financing		
Capital repayments in year	218,890	111,330
Amount withdrawn by directors	(4,100)	(4,000)
Net cash inflow from financing	<u>214,790</u>	<u>107,330</u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2008****3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.07 £	Cash flow £	At 31.3.08 £
Net cash			
Cash at bank and in hand	<u>1,390,292</u>	<u>2,343</u>	<u>1,392,635</u>
	<u>1,390,292</u>	<u>2,343</u>	<u>1,392,635</u>
Debt			
Hire purchase	<u>(333,175)</u>	<u>(218,890)</u>	<u>(552,065)</u>
	<u>(333,175)</u>	<u>(218,890)</u>	<u>(552,065)</u>
Total	<u><u>1,057,117</u></u>	<u><u>(216,547)</u></u>	<u><u>840,570</u></u>

The notes form part of these financial statements

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sale 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
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.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008****2 STAFF COSTS**

	2008	2007
	£	£
Wages and salaries	2,063,406	1,846,129
Social security costs	30,621	29,080
Other pension costs	14,093	20,449
	<u>2,108,120</u>	<u>1,895,658</u>

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

	2008	2007
Transport	29	26
Wharf	16	15
Concrete	6	5
Directors	8	8
Administration	10	10
	<u>69</u>	<u>64</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting).

	2008	2007
	£	£
Hire of plant and machinery	178,808	141,748
Other operating leases	63,004	70,500
Depreciation - owned assets	476,376	373,533
Loss/(Profit) on disposal of fixed assets	7,556	(4,304)
Auditors remuneration	8,850	8,850
	<u>295,779</u>	<u>275,952</u>

Directors' emoluments

<u>295,779</u>	<u>275,952</u>
-----------------------	-----------------------

Information regarding the highest paid director is as follows

	2008	2007
	£	£
Emoluments etc	<u>80,669</u>	<u>79,039</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008****4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Bank interest	-	3,427
Hire purchase	27,237	17,234
	<u>27,237</u>	<u>20,661</u>

5 TAXATION**Analysis of the tax charge**

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

	2008	2007
	£	£
Current tax		
UK corporation tax	93,877	103,012
Deferred tax	101,960	20,930
Tax on profit on ordinary activities	<u>195,837</u>	<u>123,942</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

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>566,562</u>	<u>465,001</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 - 30%)	169,969	139,500
Effects of		
Capital allowances in excess of depreciation	(66,119)	(12,299)
Entertaining	1,757	2,066
Legal and professional	4,947	-
Marginal relief for small companies	<u>(16,677)</u>	<u>(26,255)</u>
Current tax charge	<u>93,877</u>	<u>103,012</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2008

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 £370,063 (2007 - £341,974)

7 DIVIDENDS

	2008 £	2007 £
Ordinary shares of £0.25 each		
Interim	<u>149,500</u>	<u>164,450</u>

8 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant & machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st April 2007	542,633	2,596,688	2,043	1,496,546	4,637,910
Additions	75,868	804,543	-	565,889	1,446,300
Disposals	-	(90,830)	-	(106,323)	(197,153)
At 31st March 2008	<u>618,501</u>	<u>3,310,401</u>	<u>2,043</u>	<u>1,956,112</u>	<u>5,887,057</u>
DEPRECIATION					
At 1st April 2007	16,245	1,683,861	2,043	656,347	2,358,496
Charge for year	4,731	266,971	-	204,674	476,376
Eliminated on disposal	-	(48,496)	-	(82,685)	(131,181)
At 31st March 2008	<u>20,976</u>	<u>1,902,336</u>	<u>2,043</u>	<u>778,336</u>	<u>2,703,691</u>
NET BOOK VALUE					
At 31st March 2008	<u>597,525</u>	<u>1,408,065</u>	<u>-</u>	<u>1,177,776</u>	<u>3,183,366</u>
At 31st March 2007	<u>526,388</u>	<u>912,827</u>	<u>-</u>	<u>840,199</u>	<u>2,279,414</u>

Included in cost of land and buildings is freehold land of £438,060 (2007 - £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 2008****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 2007	542,633	2,596,688	2,043	1,496,546	4,637,910
Additions	75,868	804,543	-	565,889	1,446,300
Disposals	-	(90,830)	-	(106,323)	(197,153)
At 31st March 2008	618,501	3,310,401	2,043	1,956,112	5,887,057
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Eliminated on disposal	-	(48,496)	-	(82,685)	(131,181)
At 31st March 2008	20,976	1,902,336	2,043	778,336	2,703,691
NET BOOK VALUE					
At 31st March 2008	597,525	1,408,065	-	1,177,776	3,183,366
At 31st March 2007	526,388	912,827	-	840,199	2,279,414

Included in land and buildings is freehold land valued at £438,060 (2007 - £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 £845,539 (2007 - £580,734) and have a net book value of £720,555 (2007 - £448,297)

Assets included in plant and machinery held under finance leases originally cost £211,100 (2007 - £103,300) and have a net book value of £186,425, (2007 - £94,375)

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2008

9 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st April 2007 and 31st March 2008	<u>20,000</u>
NET BOOK VALUE	
At 31st March 2008	<u>20,000</u>
At 31st March 2007	<u>20,000</u>

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

	% holding	2008 £	2007 £
Class of shares			
Ordinary	100.00		
Aggregate capital and reserves		51,140	50,484
Profit/(Loss) for the year		<u>657</u>	<u>(910)</u>

10 STOCKS

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Raw materials	<u>212,422</u>	<u>155,516</u>	<u>195,963</u>	<u>136,709</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008****11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	2,373,441	2,260,850	1,159,957	1,211,716
Amounts owed by group undertakings	-	-	835,323	1,689,625
Other debtors	4,707	257,959	4,707	257,709
Prepayments and accrued income	55,757	78,661	48,842	73,613
	<u>2,433,905</u>	<u>2,597,470</u>	<u>2,048,829</u>	<u>3,232,663</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Hire purchase contracts (see note 14)	299,489	169,340	299,489	169,340
Trade creditors	1,938,335	1,655,650	1,376,076	1,193,110
Corporation tax	93,877	103,012	11,422	24,154
Social security and other taxes	90,552	77,729	72,002	65,714
VAT	104,558	125,319	71,945	103,834
Other creditors	98,732	84,553	86,517	74,891
Aggregates levy	139,295	118,769	139,295	118,769
Directors' loan accounts	-	4,100	-	4,100
Accruals and deferred income	177,378	216,034	154,876	210,665
	<u>2,942,216</u>	<u>2,554,506</u>	<u>2,211,622</u>	<u>1,964,577</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Hire purchase contracts (see note 14)	<u>252,576</u>	<u>163,835</u>	<u>252,576</u>	<u>163,835</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008****14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES****Group**

	Hire purchase contracts	
	2008	2007
	£	£
Net obligations repayable		
Within one year	299,489	169,340
Between one and five years	252,576	163,835
	<u>552,065</u>	<u>333,175</u>

Company

	Hire purchase contracts	
	2008	2007
	£	£
Net obligations repayable		
Within one year	299,489	169,340
Between one and five years	252,576	163,835
	<u>552,065</u>	<u>333,175</u>

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

Group

	Land and buildings	
	2008	2007
	£	£
Expiring		
Between one and five years	<u>80,250</u>	<u>80,250</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

Company

**Land and
buildings**

	2008	2007
	£	£
Expiring Between one and five years	<u>63,000</u>	<u>63,000</u>

15 PROVISIONS FOR LIABILITIES

Group

Company

	2008	2007	2008	2007
	£	£	£	£
Deferred tax	<u>306,693</u>	<u>204,733</u>	<u>306,693</u>	<u>204,733</u>

Group

**Deferred
tax**

	£
Balance at 1st April 2007	204,733
Increase in provision	<u>101,960</u>
Balance at 31st March 2008	<u>306,693</u>

Company

**Deferred
tax**

	£
Balance at 1st April 2007	204,733
Increase in provision	<u>101,960</u>
Balance at 31st March 2008	<u>306,693</u>

KENDALL BROS (PORTSMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2008

16 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2008 £	2007 £
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	2008 £	2007 £
74,750	Ordinary	£0 25	<u>18,688</u>	<u>18,688</u>

17 RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st April 2007	3,214,165	265,453	1,312	3,480,930
Profit for the year	370,725			370,725
Dividends	(149,500)			(149,500)
At 31st March 2008	<u>3,435,390</u>	<u>265,453</u>	<u>1,312</u>	<u>3,702,155</u>

Company

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st April 2007	3,183,685	265,453	1,312	3,450,450
Profit for the year	370,063			370,063
Dividends	(149,500)			(149,500)
At 31st March 2008	<u>3,404,248</u>	<u>265,453</u>	<u>1,312</u>	<u>3,671,013</u>

18 CAPITAL COMMITMENTS

	2008 £	2007 £
Contracted but not provided for in the financial statements	<u>650,000</u>	<u>613,000</u>

KENDALL BROS (PORTSMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008****19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****Group**

	2008	2007
	£	£
Profit for the financial year	370,725	341,059
Dividends	(149,500)	(164,450)
Net addition to shareholders' funds	221,225	176,609
Opening shareholders' funds	3,499,618	3,323,009
Closing shareholders' funds	3,720,843	3,499,618

Company

	2008	2007
	£	£
Profit for the financial year	370,063	341,974
Dividends	(149,500)	(164,450)
Net addition to shareholders' funds	220,563	177,524
Opening shareholders' funds	3,469,138	3,291,614
Closing shareholders' funds	3,689,701	3,469,138

KENDALL BROS (PORTSMOUTH) LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	2008		2007	
	£	£	£	£
Turnover				
Sales	13,347,213		11,597,386	
Discounts allowed	(103,028)		(73,831)	
		13,244,185		11,523,555
Cost of sales				
Opening stock	155,516		120,172	
Purchases	6,517,002		5,573,689	
Packaging	232,769		227,538	
Welding supplies	3,294		2,828	
Wharf dues	71,682		51,238	
Materials testing	11,518		14,322	
Silt disposal	43,016		60,690	
Water rates	50,211		48,198	
Power, light and heat	47,757		55,142	
Rates	109,452		100,709	
Plant and machinery insurance	11,106		5,993	
Gas oil	101,041		60,953	
Licence surveys	35,846		20,780	
Lubricants	12,268		10,073	
Royalties	111,890		116,825	
Repairs and maintenance	400,000		283,921	
Safety wear	13,605		15,767	
Ordinance disposals	73,272		77,521	
Wages	564,715		555,692	
Hire of plant and machinery	161,558		124,498	
Concrete testing	7,961		5,454	
Hired in haulage	81,271		-	
Licences	1,380		671	
Sub contractors	71,271		-	
Q S R M C	2,303		2,445	
Concrete waste disposal	1,733		2,326	
Depreciation of tangible fixed assets	266,365		211,737	
	9,159,802		7,749,182	
Closing stock	(212,422)		(155,516)	
		8,947,380		7,593,666
GROSS PROFIT		4,296,805		3,929,889
Distribution costs				
Transport wages	827,593		678,780	
Vehicle road tax	24,287		22,741	
Carried forward	851,880	4,296,805	701,521	3,929,889

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KENDALL BROS (PORTSMOUTH) LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	2008		2007	
	£	£	£	£
Brought forward	851,880	4,296,805	701,521	3,929,889
Vehicle insurance	63,636		53,797	
Diesel	552,626		461,834	
Hired in haulage	623,416		726,395	
Repairs and maintenance	205,602		197,937	
Tyres	55,519		55,271	
Safety wear	1,093		645	
General materials	709		1,155	
Depreciation of tangible fixed assets	204,674		158,653	
		2,559,155		2,357,208
		1,737,650		1,572,681
Administrative expenses				
Directors' salaries	247,029		236,952	
Directors' fees	48,750		39,000	
Directors' social security	30,621		29,080	
Directors' pensions paid	23,324		19,063	
Salaries	375,319		335,705	
Salaries pension costs	14,093		20,449	
Rent and service charge Romsey	17,250		17,250	
Operating lease - Land and Buildings	63,004		70,500	
General insurance	61,174		70,873	
Telephone and fax	16,487		20,144	
Printing post and stationery	28,288		24,367	
Computer maintenance and support	26,877		28,913	
Subscriptions	29,543		19,575	
Site security	4,148		4,052	
Advertising and promotions	18,456		13,053	
Motor and travel	24,038		14,197	
Entertaining	5,857		6,884	
General expenses	24,237		30,121	
Staff training costs	4,983		3,288	
Bad and doubtful debts	7,180		80,189	
Technical services	5,624		5,325	
Legal and professional fees	84,889		28,137	
Auditors remuneration	8,850		8,850	
Depreciation of tangible fixed assets	5,337		3,140	
Profit/loss on sale of tangible fixed assets	7,556		(4,304)	

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KENDALL BROS (PORTSMOUTH) LIMITED**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2008**

	2008		2007	
	£	£	£	£
Brought forward		1,737,650		1,572,681
		<u>1,182,914</u>		<u>1,124,803</u>
		554,736		447,878
Finance costs				
Bank charges		<u>24,646</u>		<u>13,427</u>
		530,090		434,451
Other operating income				
Rents received		<u>3,754</u>		<u>3,750</u>
		533,844		438,201
Finance income				
Bank interest receivable		<u>59,955</u>		<u>47,461</u>
		593,799		485,662
Interest payable				
Bank interest	-		3,427	
Hire purchase	<u>27,237</u>	<u>27,237</u>	<u>17,234</u>	<u>20,661</u>
NET PROFIT		<u><u>566,562</u></u>		<u><u>465,001</u></u>

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