

REGISTERED NUMBER: 478188 (England and Wales)

**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH 2005**  
**FOR**  
**KENDALL BROS (PORTSMOUTH) LIMITED**



**KENDALL BROS (PORTSMOUTH) LIMITED**

**CONTENTS OF THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH 2005**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors on the Abbreviated Accounts</b>	<b>4</b>
<b>Abbreviated Profit and Loss Account</b>	<b>5</b>
<b>Abbreviated Balance Sheet</b>	<b>6</b>
<b>Cash Flow Statement</b>	<b>8</b>
<b>Notes to the Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Abbreviated Accounts</b>	<b>11</b>

**KENDALL BROS (PORTSMOUTH) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2005**

---

<b>DIRECTORS:</b>	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
<b>SECRETARY:</b>	Mrs D Knight-Manson
<b>REGISTERED OFFICE:</b>	Kendall's Wharf Eastern Road Portsmouth Hampshire PO3 5LY
<b>REGISTERED NUMBER:</b>	478188 (England and Wales)
<b>AUDITORS:</b>	Harrison Black Limited Registered Auditors Pyle House 136/137 Pyle Street Newport Isle of Wight PO30 1JW
<b>BANKERS:</b>	Lloyds TSB Plc 4 West Street Havant Hampshire PO9 1PE

## KENDALL BROS (PORTSMOUTH) LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2005

---

The directors present their report with the accounts of the company for the year ended 31st March 2005.

#### 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 on the 16th November 2004 and £0.40 on the 2nd February 2005. The directors recommend that a final dividend of £2.15 per share be ratified at the Annual General Meeting totalling £2.85 per share (2004 - £2.60). This final dividend is not provided for in the accounts in line with the new Financial Reporting Standard 21.

#### 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.

#### 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 2005 in the issued share capital of the company were as follows:

	31.3.05	1.4.04
<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	-	-

**KENDALL BROS (PORTSMOUTH) LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2005**

---

**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.

**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: 30 Jun 06

**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 five to eighteen, together with the full financial statements of the company for the year ended 31st March 2005 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 five to eighteen are 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: 27/1/06

**KENDALL BROS (PORTSMOUTH) LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2005**

	Notes	2005 £	2004 £
<b>GROSS PROFIT</b>		<b>2,521,022</b>	<b>2,177,142</b>
Distribution costs		1,292,706	1,142,740
Administrative expenses		881,348	826,273
		<u>2,174,054</u>	<u>1,969,013</u>
<b>OPERATING PROFIT</b>	3	<b>346,968</b>	<b>208,129</b>
Income from shares in group undertakings		180,000	220,000
Interest receivable and similar income		25,182	17,130
		<u>205,182</u>	<u>237,130</u>
		<b>552,150</b>	<b>445,259</b>
Interest payable and similar charges	4	11,299	7,822
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>540,851</b>	<b>437,437</b>
Tax on profit on ordinary activities	5	103,563	46,008
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>437,288</b>	<b>391,429</b>
Dividends	6	52,325	194,350
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>384,963</b>	<b>197,079</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.

The notes form part of these abbreviated accounts

**KENDALL BROS (PORTSMOUTH) LIMITED****ABBREVIATED BALANCE SHEET  
31ST MARCH 2005**

		2005		2004	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		2,205,115		2,052,532
Investments	8		20,000		20,000
			<u>2,225,115</u>		<u>2,072,532</u>
<b>CURRENT ASSETS</b>					
Stocks	9	210,579		113,347	
Debtors	10	1,684,603		1,589,716	
Cash at bank and in hand		516,266		905,286	
		<u>2,411,448</u>		<u>2,608,349</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	1,071,028		1,537,900	
<b>NET CURRENT ASSETS</b>			<u>1,340,420</u>		<u>1,070,449</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,565,535</u>		<u>3,142,981</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(50,958)		(34,919)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		(215,265)		(193,713)
			<u>3,299,312</u>		<u>2,914,349</u>

The notes form part of these abbreviated accounts

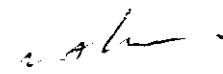


**KENDALL BROS (PORTSMOUTH) LIMITED****ABBREVIATED BALANCE SHEET - continued**  
**31ST MARCH 2005**

		2005		2004	
	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		3,013,859		2,628,896
<b>SHAREHOLDERS' FUNDS</b>	19		3,299,312		2,914,349

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  
**N. A. KENDALL**

  
.....  
R C Kendall - Director

Approved by the Board on 30/04/05

The notes form part of these abbreviated accounts

**KENDALL BROS (PORTSMOUTH) LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2005**

		2005	2004
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	167,783	512,753
<b>Returns on investments and servicing of finance</b>	2	193,883	229,308
<b>Taxation</b>		(49,236)	(85,428)
<b>Capital expenditure</b>	2	(454,929)	(358,783)
<b>Equity dividends paid</b>		(201,825)	(216,775)
		(344,324)	81,075
<b>Financing</b>	2	28,991	13,926
<b>(Decrease)/Increase in cash in the period</b>		(315,333)	95,001
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/Increase in cash in the period		(315,333)	95,001
Cash inflow from increase in debt and lease financing		(28,991)	(13,926)
Change in net funds resulting from cash flows		(344,324)	81,075
<b>Movement in net funds in the period</b>		(344,324)	81,075
<b>Net funds at 1st April</b>		715,281	634,206
<b>Net funds at 31st March</b>		370,957	715,281

The notes form part of these abbreviated accounts

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2005****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating profit	<b>346,968</b>	208,129
Depreciation charges	<b>305,434</b>	289,881
(Profit)/Loss on disposal of fixed assets	<b>(3,087)</b>	7,715
Increase in stocks	<b>(97,232)</b>	(32,539)
Increase in debtors	<b>(94,888)</b>	(65,290)
(Decrease)/Increase in creditors	<b>(289,412)</b>	104,857
<b>Net cash inflow from operating activities</b>	<b><u>167,783</u></b>	<b><u>512,753</u></b>

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

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>25,182</b>	17,130
Interest paid	<b>(3,876)</b>	(3,216)
Interest element of hire purchase payments	<b>(7,423)</b>	(4,606)
Dividends received	<b>180,000</b>	220,000
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>193,883</u></b>	<b><u>229,308</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<b>(507,419)</b>	(377,783)
Sale of tangible fixed assets	<b>52,490</b>	19,000
<b>Net cash outflow for capital expenditure</b>	<b><u>(454,929)</u></b>	<b><u>(358,783)</u></b>
<b>Financing</b>		
Capital repayments in year	<b>28,991</b>	13,926
<b>Net cash inflow from financing</b>	<b><u>28,991</u></b>	<b><u>13,926</u></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 2005****3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.04 £	Cash flow £	At 31.3.05 £
Net cash:			
Cash at bank and in hand	905,286	(389,020)	516,266
Bank overdraft	(73,687)	73,687	-
	<u>831,599</u>	<u>(315,333)</u>	<u>516,266</u>
Debt:			
Hire purchase	(116,318)	(28,991)	(145,309)
	<u>(116,318)</u>	<u>(28,991)</u>	<u>(145,309)</u>
Total	<u>715,281</u>	<u>(344,324)</u>	<u>370,957</u>

The notes form part of these abbreviated accounts

## KENDALL BROS (PORTSMOUTH) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2005

---

#### 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 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

	2005	2004
	£	£
Wages and salaries	863,928	792,239
Social security costs	27,764	19,991
Other pension costs	15,785	22,991
	<u>907,477</u>	<u>835,221</u>

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2005****2. STAFF COSTS - continued**

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

	2005	2004
Transport	15	15
Wharf	21	19
Directors	8	8
Administration	7	7
	<u>51</u>	<u>49</u>

**3. OPERATING PROFIT**

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

	2005	2004
	£	£
Hire of plant and machinery	78,423	99,160
Other operating leases	48,000	48,000
Depreciation - owned assets	305,434	289,878
(Profit)/Loss on disposal of fixed assets	(3,087)	7,715
Auditors remuneration - Audit	7,400	5,500
	<u>260,009</u>	<u>248,687</u>

Information regarding the highest paid director is as follows:

	2005	2004
	£	£
Emoluments etc	<u>81,094</u>	<u>75,484</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2005	2004
	£	£
Bank interest	3,876	3,216
Hire purchase	7,423	4,606
	<u>11,299</u>	<u>7,822</u>

**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2005****5. TAXATION****Analysis of the tax charge**

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

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	<b>72,320</b>	39,545
Under/over provision in previous years	<b>9,691</b>	10,803
Total current tax	<b>82,011</b>	50,348
Deferred tax	<b>21,552</b>	(4,340)
Tax on profit on ordinary activities	<b>103,563</b>	46,008

**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:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>540,851</b>	437,437
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	<b>162,255</b>	131,231
Effects of:		
Capital allowances in excess of depreciation	<b>(24,065)</b>	(12,779)
Dividends received from group company	<b>(54,000)</b>	(66,000)
Entertaining	<b>950</b>	1,036
Lease premiums disallowed	-	970
Legal costs disallowed	-	660
Marginal relief for small companies	<b>(12,820)</b>	(15,573)
Under/(over) provision in previous years	<b>9,691</b>	10,803
Current tax charge	<b>82,011</b>	50,348

**KENDALL BROS (PORTSMOUTH) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2005**

**6. DIVIDENDS**

	2005 £	2004 £
Equity shares:		
Interim	52,325	44,850
Final	-	149,500
	<u>52,325</u>	<u>194,350</u>

**7. TANGIBLE FIXED ASSETS**

	Land & buildings £	Plant & machinery £	Dredgers & launches £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st April 2004	521,217	2,143,510	2,043	1,123,304	3,790,074
Additions	-	315,769	-	191,650	507,419
Disposals	-	(55,000)	-	(234,289)	(289,289)
At 31st March 2005	<u>521,217</u>	<u>2,404,279</u>	<u>2,043</u>	<u>1,080,665</u>	<u>4,008,204</u>
<b>DEPRECIATION</b>					
At 1st April 2004	9,653	1,165,629	2,043	560,216	1,737,541
Charge for year	1,726	189,844	-	113,864	305,434
Eliminated on disposal	-	(19,143)	-	(220,743)	(239,886)
At 31st March 2005	<u>11,379</u>	<u>1,336,330</u>	<u>2,043</u>	<u>453,337</u>	<u>1,803,089</u>
<b>NET BOOK VALUE</b>					
At 31st March 2005	<u>509,838</u>	<u>1,067,949</u>	-	<u>627,328</u>	<u>2,205,115</u>
At 31st March 2004	<u>511,564</u>	<u>977,881</u>	-	<u>563,088</u>	<u>2,052,533</u>

Included in cost of land and buildings is freehold land of £438,060 (2004 - £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 £361,235 (2004 - £297,947) and have a net book value of £328,428 (2004 - £271,158).



**KENDALL BROS (PORTSMOUTH) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2005****8. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1st April 2004 and 31st March 2005	<u>20,000</u>
<b>NET BOOK VALUE</b>	
At 31st March 2005	<u>20,000</u>
At 31st March 2004	<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

	%		
Class of shares:	holding		
Ordinary	100.00		
		2005	2004
		£	£
Aggregate capital and reserves		45,668	43,404
Profit for the year		<u>1,864</u>	<u>5,541</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**

	2005	2004
	£	£
Raw materials	<u>210,579</u>	<u>113,347</u>

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

	2005	2004
	£	£
Trade debtors	1,075,933	992,401
Amounts owed by group undertakings	562,375	541,605
Other debtors	14,163	17,841
Prepayments and accrued income	32,132	37,869
	<u>1,684,603</u>	<u>1,589,716</u>

**KENDALL BROS (PORTSMOUTH) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2005**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 13)	-	73,687
Hire purchase contracts (see note 14)	<b>94,351</b>	81,399
Trade creditors	<b>526,245</b>	634,404
Corporation tax	<b>72,320</b>	39,545
Social security and other taxes	<b>58,056</b>	37,950
VAT	<b>84,789</b>	131,999
Proposed dividends	-	149,500
Other creditors	<b>56,785</b>	49,056
Aggregates levy	<b>90,277</b>	105,718
Accruals and deferred income	<b>88,205</b>	234,642
	<b><u>1,071,028</u></b>	<b><u>1,537,900</u></b>

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

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 14)	<b><u>50,958</u></b>	<b><u>34,919</u></b>

**13. LOANS**

An analysis of the maturity of loans is given below:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank overdrafts	<b><u>-</u></b>	<b><u>73,687</u></b>

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>94,351</b>	81,399
Between one and five years	<b>50,958</b>	34,919
	<b><u>145,309</u></b>	<b><u>116,318</u></b>

# KENDALL BROS (PORTSMOUTH) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2005

### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	2005 £	2004 £
Deferred tax		
Accelerated capital allowances	<u>215,265</u>	<u>193,713</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1st April 2004		193,713
Increase in provision		<u>21,552</u>
Balance at 31st March 2005		<u>215,265</u>

### 16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005 £	2004 £
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:	2005 £	2004 £
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 2004	2,628,896	265,453	1,312	2,895,661
Retained profit for the year	<u>384,963</u>	-	-	<u>384,963</u>
At 31st March 2005	<u>3,013,859</u>	<u>265,453</u>	<u>1,312</u>	<u>3,280,624</u>

## KENDALL BROS (PORTSMOUTH) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST MARCH 2005

---

#### 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 £1,180,542 (2004 - £1,203,691).

The company received £95,443 (2004 - £83,318) 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 £65,551 (2004 - £67,545) 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 (2004 - £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 £180,000 (2004 - £220,000) from K.R.M. Concrete Limited.

At the year end the company had amounts owing from K.R.M. Concrete Limited totalling £562,375 (2004 - £541,605) in respect of all charges and sales invoiced.

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

	2005 £	2004 £
Profit for the financial year	437,288	391,429
Dividends	(52,325)	(194,350)
<b>Net addition to shareholders' funds</b>	<b>384,963</b>	<b>197,079</b>
Opening shareholders' funds	2,914,349	2,717,270
<b>Closing shareholders' funds</b>	<b>3,299,312</b>	<b>2,914,349</b>
Equity interests	3,299,312	2,914,349