

WARDEN CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2009

Company Registration Number 533082

RSM Tenon Limited

Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

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WARDEN CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 4
Independent auditor's report to the members	5 to 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 to 18

WARDEN CONSTRUCTION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 NOVEMBER 2009

The board of directors	R D Kenworthy A A Atkinson MRICS I Williams K Browne MBA N Hawkins
Company secretary	R D Kenworthy
Business address	Damar House Richard St Kirkham Preston PR4 2HU
Registered office	Damar House Richard St Kirkham Preston PR4 2HU
Auditor	RSM Tenon Audit Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP
Accountants	RSM Tenon Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

WARDEN CONSTRUCTION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2009

The directors present their report and the financial statements of the company for the year ended 30 November 2009

Principal activities and business review

The principal activity of the company during the year under review was that of the erection and alteration of industrial and commercial buildings

Turnover decreased by £6,160,828 and the gross margin increased from 10.6% to 14.6%

At the year end, the company had shareholders' funds of £1,157,975 including distributable reserves of £1,094,867. The directors therefore believe the company's position to be satisfactory especially as current assets exceed current liabilities by £675,663.

With all sectors of construction suffering from a severe downturn in output during 2009 it was inevitable that this would impact on the level of turnover for the year. In anticipation of the reduction in workload, the profitability of the Company was maintained by reducing costs throughout the Company, securing more preferential rates from suppliers through loyalty deals and reviewing operations in all areas.

2009 saw the successful completion of the largest ever project undertaken by the Company, a redevelopment of a private hospital with a final account value just short of £6m. While being able to be highly competitive with projects of this size the Company has continued to also remain competitive when tendering for projects that are lower in value. More clients are beginning to opt for smaller refurbishment works of their existing stock as a result of a reduction in their construction spend budgets. The Company's approach to diversification by undertaking projects across all sectors, together with the Company's approach to undertaking projects broadly ranging in value between £10k and £10m has assisted in maintaining the Company's workload during the year. While it is clear we cannot totally rely on our currently secured framework contracts, they provide a cushion to ensure that there is a regular flow of work and confidence to invest in the future development of the Company. The current portfolio of framework contracts makes the Company an attractive proposition when tendering for all types of new contracts.

The spend through the existing framework agreements has slowed during 2009 which has contributed to the reduction in turnover. The reduction in spend has been as a result of the cuts made by central government brought about by the issues relating to the wider economy, however, further reduction in turnover from public sector contracts can also be attributed to allocated projects being delayed through spending reevaluation processes, this being a result of changes in power following local government elections mid way through 2009. As a result of these delays the current order book for 2010 is in a healthy position which should at the very least see the Company maintain its current level of turnover. There are several allocated projects across current framework contracts awaiting commencement together with the largest project secured by the Company in 2008, which commenced in April 2010. This large project is the construction of a new primary school in Waterfoot Lancashire with a total contract value of around £10m.

During the year the Company successfully secured two additional framework contracts with St Helens Council for projects ranging from £100k to £1.5m and our first social housing framework contract for Disability Discrimination Act adaptations to residential properties for Salford City Council. The first projects for both these new clients will be completed early in 2010.

We have continued to have strong links with several NHS trusts and the professional practices that represent them and have seen an increase in workload from this sector in 2009 together with securing new work from a new NHS trust (Blackpool) with projects due to commence early in 2010. Currently there are very few opportunities in the private sector and this is not likely to improve in the short term but there are still a few and as with all opportunities the aim is to position the Company such that it is able to win more than our fair share of work. In 2009 the Company was awarded a contract for the construction of an ECO friendly hi-spec residential dwelling in a rural location. The project will be completed in the 2nd Quarter of 2010 and adds yet another dimension to an already wide project portfolio.

WARDEN CONSTRUCTION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2009

2009 has seen the Company take giant strides in moving towards ISO 9000 accreditation. While all the Company systems have been in line with the ISO standard, formal approval has never been sought. Following a review of all the systems and procedures formal assessment will be achieved by the end of the 2nd quarter of 2010. Following this accreditation the company will immediately work towards achieving the ISO 14001 standard as part of a continued commitment to the Company's policy on sustainability and the environment.

Training and development in 2009 was as always high on the agenda, working with our sister Company the Construction Assessment Centre, our senior management team are now accredited or under assessment for the NVQ level V standard in Construction management. Health and Safety training receives priority, however, there continues to be substantial investment in all manner of training throughout the site and support teams.

Results and dividends

The profit for the year, after taxation, amounted to £319,442. Particulars of dividends paid are detailed in note 10 to the financial statements.

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and hire purchase agreements and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors who served the company during the year were as follows:

R D Kenworthy
W Barrow
A A Atkinson MRICS
I Williams
K Browne MBA
N Hawkins

W Barrow resigned as a director on 29 May 2009.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

WARDEN CONSTRUCTION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2009

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name.

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
Damar House
Richard St
Kirkham
Preston
PR4 2HU

Signed on behalf of the directors



R D Kenworthy
Director

X Approved by the directors on ^(DATE) 6/5/10

WARDEN CONSTRUCTION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARDEN
CONSTRUCTION LIMITED

YEAR ENDED 30 NOVEMBER 2009

We have audited the financial statements of Warden Construction Limited for the year ended 30 November 2009 on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WARDEN CONSTRUCTION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARDEN
CONSTRUCTION LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Jonathan Pinder, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date *12 May 2010*

WARDEN CONSTRUCTION LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2009**

	Note	2009 £	2008 £
Turnover	2	13,896,484	20,057,312
Cost of sales		(11,869,130)	(17,925,720)
Gross profit		<u>2,027,354</u>	<u>2,131,592</u>
Administrative expenses		(1,699,284)	(1,758,390)
Other operating income	3	82,197	47,376
Operating profit	4	<u>410,267</u>	<u>420,578</u>
Interest receivable		26,615	80,513
Interest payable and similar charges	8	(4,146)	(5,250)
Profit on ordinary activities before taxation		<u>432,736</u>	<u>495,841</u>
Tax on profit on ordinary activities	9	(113,294)	(142,407)
Profit for the financial year		<u><u>319,442</u></u>	<u><u>353,434</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on page 9 to 18 form part of these financial statements

WARDEN CONSTRUCTION LIMITED

Registered Number 533082

BALANCE SHEET**30 NOVEMBER 2009**

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	11		486,448		498,240
Investments	12		1		1
			<u>486,449</u>		<u>498,241</u>
Current assets					
Debtors	13	2,703,209		2,932,057	
Cash at bank		2,156,074		2,020,411	
		<u>4,859,283</u>		<u>4,952,468</u>	
Creditors: Amounts falling due within one year	14	<u>(4,183,620)</u>		<u>(4,478,032)</u>	
Net current assets			675,663		474,436
Total assets less current liabilities			<u>1,162,112</u>		<u>972,677</u>
Creditors: Amounts falling due after more than one year	15		-		(9,144)
Provisions for liabilities					
Deferred taxation	17		(4,137)		-
			<u>1,157,975</u>		<u>963,533</u>
Capital and reserves					
Called-up share capital	22		49,270		49,270
Share premium account	23		13,838		13,838
Profit and loss account	24		1,094,867		900,425
Shareholders' funds	25		<u>1,157,975</u>		<u>963,533</u>

× These financial statements were approved by the directors and authorised for issue on and are signed on their behalf by

(CARE)
6/5/10

×

R D Kenworthy
Director

The notes on pages 9 to 18 form part of these financial statements

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represent amounts invoiced during the year, exclusive of Value Added Tax. In the case of long term contracts, turnover represents the sales value of work done during the year, including estimates in respect of amounts not invoiced

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Freehold Property	-	2% straight line
Long Leasehold Property	-	Straight line over 50 years
Plant & Machinery	-	3 to 10 years straight line
Fixtures & Fittings	-	5 to 10 years straight line
Motor Vehicles	-	25% reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value, and are depreciated in accordance with the above depreciation policies

Operating lease agreements

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

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable to the company's pension scheme are charged to the profit and loss in the period to which they relate

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Long term contracts

Stocks are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow moving items. Work in progress is valued at cost plus attributable profit and overheads and is shown in the balance sheet after deducting progress payments received

Profit on long term contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out by the year end by recording turnover and related costs as contract activity progresses. Turnover represents the value of work done for customers based on amounts certified during the year. Revenue derived from variations on contracts is only recognised when they have been accepted by the customers. Full provision is made for losses on all contracts in the year in which they are first foreseen

Investments

Investments are stated at cost less any provision for any permanent diminution in value. Cost represents purchase price together with any incidental costs of acquisition

Government grants

Government grants are recognised in the profit and loss account so as to match them with the related expenditure towards which they contribute. Grants received in respect of future accounting periods are included in the balance sheet as deferred income

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2009	2008
	£	£
United Kingdom	<u>13,896,484</u>	<u>20,057,312</u>

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

3. Other operating income

	2009	2008
	£	£
Rent receivable	16,618	2,705
Discounts received	3,379	4,358
Grants received	62,200	40,313
	<u>82,197</u>	<u>47,376</u>

4. Operating profit

Operating profit is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	36,222	36,343
Depreciation of assets held under hire purchase agreements	20,149	28,975
Loss on disposal of fixed assets	8,392	286
Auditor's remuneration	11,000	11,000
Operating lease costs		
-Plant and machinery	3,952	3,952
-Land & Buildings	64,852	43,537

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2009	2008
	No	No
Number of production staff	44	47
Number of administrative staff	34	38
	<u>78</u>	<u>85</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	2,343,164	2,522,466
Social security costs	257,274	267,199
Other pension costs	32,586	59,314
	<u>2,633,024</u>	<u>2,848,979</u>

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Aggregate remuneration	461,943	428,958
Value of company pension contributions to money purchase schemes	<u>22,925</u>	<u>39,402</u>
	<u>484,868</u>	<u>468,360</u>

Remuneration of highest paid director

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	105,569	95,930
Value of company pension contributions to money purchase schemes	<u>2,500</u>	<u>9,333</u>
	<u>108,069</u>	<u>105,263</u>

The number of directors on whose behalf the company made pension contributions was as follows

	2009	2008
	No	No
Money purchase schemes	<u>5</u>	<u>5</u>

7. Pensions

The company operates a defined contribution scheme for employers. The assets of the scheme are held separately from those of the company.

The total contributions paid during the year amounted to £32,586 (2008 £59,314)

8 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	542	12
Finance charges	<u>3,604</u>	<u>5,238</u>
	<u>4,146</u>	<u>5,250</u>

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

9. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009		2008	
	£	£	£	£
In respect of the year				
UK Corporation tax		110,333		153,250
Over provision in prior year		(4,308)		-
		<u>106,025</u>		<u>153,250</u>
Deferred tax				
Origination and reversal of timing differences	7,269		(10,843)	
Total deferred tax (note 16)		<u>7,269</u>		<u>(10,843)</u>
Tax on profit on ordinary activities		<u>113,294</u>		<u>142,407</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>432,736</u>	<u>495,841</u>
Profit on ordinary activities by rate of tax	121,166	138,835
Effects of		
Expenses not deductible for tax purposes	(4,828)	13,886
Difference between capital allowances and depreciation	1,697	(687)
Utilisation of tax losses	(1,067)	(2,348)
Tax chargeable at different rates	(6,635)	3,564
Adjustments to tax charge in respect of previous periods	<u>(4,308)</u>	<u>-</u>
Total current tax (note 8(a))	<u>106,025</u>	<u>153,250</u>

(c) Factors that may affect future tax charges

There are no known factors affecting the company's future tax charge

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

10. Dividends

Equity dividends

	2009 £	2008 £
Ordinary £1 shares	<u>125,000</u>	<u>175,000</u>

Interim dividends were paid during the year on the Ordinary £1 shares only at a rate of £2 69 per share (2008 £3 77) The directors do not recommend a final dividend

11. Tangible fixed assets

	Freehold Property £	Long Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost						
At 1 Dec 2008 (as restated)	171,237	125,816	74,332	89,614	438,356	899,355
Additions	—	—	12,176	—	59,893	72,069
Disposals	—	—	—	—	(83,132)	(83,132)
At 30 Nov 2009	<u>171,237</u>	<u>125,816</u>	<u>86,508</u>	<u>89,614</u>	<u>415,117</u>	<u>888,292</u>
Depreciation						
At 1 Dec 2008 (as restated)	9,616	13,724	73,775	84,414	219,586	401,115
Charge for the year	984	1,715	145	1,288	52,239	56,371
On disposals	—	—	—	—	(55,642)	(55,642)
At 30 Nov 2009	<u>10,600</u>	<u>15,439</u>	<u>73,920</u>	<u>85,702</u>	<u>216,183</u>	<u>401,844</u>
Net book value						
At 30 Nov 2009	<u>160,637</u>	<u>110,377</u>	<u>12,588</u>	<u>3,912</u>	<u>198,934</u>	<u>486,448</u>
At 30 Nov 2008 (as restated)	<u>161,621</u>	<u>112,092</u>	<u>557</u>	<u>5,200</u>	<u>218,770</u>	<u>498,240</u>

During the year ended 30 November 2007 the company disposed of a long leasehold property which was accounted for as a disposal from freehold property. At the point of the disposal the cost of the long leasehold property was £27,618 and depreciation of £2,793 had been charged. The opening cost and depreciation of freehold property and long leasehold property has been restated. There is no effect on net assets or retained profits as a result of this restatement.

Hire purchase agreements

Included within the net book value of £486,448 is £68,487 (2008 - £113,112) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £20,149 (2008 - £28,975).

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

12. Investments

	Unlisted Investments £
Cost	
At 1 December 2008 and 30 November 2009	<u>1</u>
Net book value	
At 30 November 2009 and 30 November 2008	<u>1</u>

13. Debtors

	2009 £	2008 £ (As restated)
Trade debtors	79,201	122,181
Amounts owed by group undertakings	796,951	662,346
Amounts recoverable on contracts	1,204,603	1,546,916
Other debtors	595,758	578,220
Prepayments and accrued income	26,696	19,262
Deferred taxation (note 16)	—	3,132
	<u>2,703,209</u>	<u>2,932,057</u>

Debtor balances in relation to amounts owed by group undertakings have been restated in the prior year and reclassified from other debtors. This reclassification has had no impact on the results or tax charge of the company.

14 Creditors: Amounts falling due within one year

	2009 £	2008 £ restated
Trade creditors	2,439,249	3,753,914
Corporation tax	110,333	153,250
Other taxation and social security	127,380	178,740
Hire purchase agreements	9,145	42,902
Other creditors	325	6,047
Accruals and deferred income	1,497,188	343,179
	<u>4,183,620</u>	<u>4,478,032</u>

Creditor balances in relation to long term contracts have been restated in the prior year to present cost accruals in a more appropriate classification. This reclassification has had no impact on the results or tax charge of the company.

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009 £	2008 £
Hire purchase agreements	<u>9,145</u>	<u>42,902</u>

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

15. Creditors: Amounts falling due after more than one year

	2009	2008
	£	£
Hire purchase agreements	<u>-</u>	<u>9,144</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2009	2008
	£	£
Hire purchase agreements	<u>-</u>	<u>9,144</u>

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2009	2008
	£	£
Amounts payable within 1 year	9,145	42,902
Amounts payable between 2 to 5 years	<u>-</u>	<u>9,144</u>
	<u>9,145</u>	<u>52,046</u>

The amounts included in hire purchase are secured on the assets to which they relate

17. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2009	2008
	£	£
Included in debtors (note 13)	-	(3,132)
Included in provisions	<u>4,137</u>	<u>-</u>
	<u>4,137</u>	<u>(3,132)</u>

The movement in the deferred taxation account during the year was

	2009	2008
	£	£
At 1 December 2008	(3,132)	7,711
Profit and loss account movement arising during the year	<u>7,269</u>	<u>(10,843)</u>
At 30 November 2009	<u>4,137</u>	<u>(3,132)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2009	2008
	£	£
Excess of depreciation over taxation allowances	(3,132)	5,078
Other timing differences	<u>7,269</u>	<u>(8,210)</u>
	<u>4,137</u>	<u>(3,132)</u>

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

18. Derivatives

The company has no financial instruments that fall to be classified as derivatives

19. Commitments under operating leases

At 30 November 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Other 2009 £	Other 2008 £
Operating leases which expire		
Within 1 year	6,023	-
Within 2 to 5 years	49,413	53,072
	<u>55,436</u>	<u>53,072</u>

20. Contingencies

At the balance sheet date, the company had performance bonds totalling £14,858 (2008 £82,284)

There is also an unlimited multilateral guarantee between Warden Holdings Limited and Warden Construction Limited dated 29 January 2007

21. Related party transactions

R D Kenworthy, I Williams, A A Atkinson, K Browne and N Hawkins are partners in Kenworthy, Williams, Atkinson, Browne & Hawkins Partnership, to whom the company paid rent totalling £64,851 (2008 £25,662) in respect of office premises. The rent is set at open market value

Included in other debtors is £442,212 (2008 £526,212) due from the partnership, the movement in the year is due to repayments made

At the year end, £796,951 (2008 £662,346), was owed by Warden Holdings Limited, a company which owns 100% of the issued share capital of Warden Construction Limited. During the year a dividend amounting to £125,000 was paid to Warden Holdings Limited

During the year costs totalling £557,422 (2008 £361,543) were invoiced to the company by Skills Recruitment Limited. Rental income of £16,618 (2008 £2,705) was received in the year from Skills Recruitment Limited for the use of office premises. A A Atkinson and I Williams are also directors of Skills Recruitment Limited

Included in other creditors is a balance of £Nil (2008 £5,509) due to R D Kenworthy

22 Share capital

Authorised share capital:

	2009 £	2008 £
50,000 Ordinary shares of £1 each	50,000	50,000
10,000 "A" Ordinary shares of £1 each	10,000	10,000
	<u>60,000</u>	<u>60,000</u>

WARDEN CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

22 Share capital (continued)

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
46,420 Ordinary shares of £1 each	46,420	46,420	46,420	46,420
2,850 "A" Ordinary shares of £1 each	2,850	2,850	2,850	2,850
	<u>49,270</u>	<u>49,270</u>	<u>49,270</u>	<u>49,270</u>

The Ordinary shares and A Ordinary shares rank pari passu

23. Share premium account

There was no movement on the share premium account during the financial year

24. Profit and loss account

	2009 £	2008 £
Balance brought forward	900,425	721,991
Profit for the financial year	319,442	353,434
Equity dividends	(125,000)	(175,000)
Balance carried forward	<u>1,094,867</u>	<u>900,425</u>

25. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	319,442	353,434
Equity dividends	(125,000)	(175,000)
Net addition to shareholders' funds	<u>194,442</u>	<u>178,434</u>
Opening shareholders' funds	963,533	785,099
Closing shareholders' funds	<u>1,157,975</u>	<u>963,533</u>

26 Ultimate parent company

For the whole of the current year and previous year the ultimate parent company was Warden Holdings Limited, a company incorporated in Great Britain, which owns 100% of the issued share capital of Warden Construction Limited and for which group accounts have been prepared. Their financial statements are available from this company's registered office at Damar House, Richard Street, Kirkham, Preston, PR4 2HU or from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ

27. Ultimate controlling party

The company is ultimately controlled by R D Kenworthy, by virtue of his shareholding in Warden Holdings Limited