

Company Registration No 3156120 (England and Wales)

GALLIARD CONSTRUCTION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

MONDAY



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GALLIARD CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors

S S Conway
J L August
D O'Sullivan
M E Jones
M W Watson
D E Conway (Appointed 24 January 2011)
A W Porter (Appointed 24 January 2011)
R P Hawkins (Appointed 10 February 2011)

Secretary

A W Porter

Company number

3156120

Registered office

3rd Floor Sterling House
Langston Road
Loughton
Essex
IG10 3TS

Auditors

BDO LLP
55 Baker Street
London
United Kingdom
W1U 7EU

Business address

PO Box 206
Loughton
Essex
IG10 1PL

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

GALLIARD CONSTRUCTION LIMITED

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GALLIARD CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011

Principal activities and review of the business

The principal activity of the company continued to be that of building contractors, working predominantly for the Galliard Holdings Group of companies and their joint development and joint venture partners ("the Group")

Trading activity in the year to 31 March 2011 has continued to reflect the UK's economic downturn and, in particular, the problems faced by the construction sector. Turnover, largely derived from projects within the Galliard group, has fallen to £57.4m (2010 - £63.3m) and economic activity has shown a corresponding fall. Despite this, and thanks largely to a significant sundry income receipt from a London Borough, the company can report a profit for the year of £4.8m (2010 - £15.3m).

Agreement has recently been reached with the Irish National Asset Management Agency ("NAMA") for the recommencement of a significant construction project at Greenwich Reach in London on behalf of a company in which the Galliard group has a joint venture interest. This, together with other significant projects, should enable the company to remain profitable in the near future.

The principal risks faced by the company are those associated with being part of a larger Group. Thus a downturn in business for the Group would adversely impact on the company as would the withdrawal of financial support by the parent company. These risks are currently considered minimal due to strong present and anticipated future trading performance of the Group. The Group is generally risk averse and endeavours to take appropriate action to minimise any risks it faces.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 April 2010:

S S Conway
J L August
D O'Sullivan
M E Jones
M W Watson
D E Conway
A W Porter
R P Hawkins

(Appointed 24 January 2011)
(Appointed 24 January 2011)
(Appointed 10 February 2011)

GALLIARD CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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.

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and,

(b) they have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

(c) BDO LLP have expressed their willingness to continue in the office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

By order of the board


A. W. Porter
Secretary

22 November 2011

GALLIARD CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GALLIARD CONSTRUCTION LIMITED

We have audited the financial statements of Galliard Construction Limited for the year ended 31 March 2011 which comprise Profit and Loss Account, the Balance Sheet and related notes. 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 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

As explained more fully in the statement of directors' responsibilities, the company's 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 March 2011 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 matter 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.

GALLIARD CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GALLIARD CONSTRUCTION LIMITED

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



Solomon Benaim (Senior Statutory Auditor)
For and on behalf of BDO LLP

Chartered Accountants
Statutory Auditor

22/11/11

55 Baker Street
London
United Kingdom
W1U 7EU

GALLIARD CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	57,396,488	63,348,225
Cost of sales		(50,912,292)	(47,269,273)
Gross profit		6,484,196	16,078,952
Administrative expenses		(6,110)	(9,167)
Other operating income		966,930	120,032
Operating profit	3	7,445,016	16,189,817
Joint venturers' share of profit		-	(1,000,000)
Profit on ordinary activities before interest		7,445,016	15,189,817
Other interest receivable and similar income	4	40,985	109,397
Interest payable and similar charges	5	(10,258)	(4,871)
Profit on ordinary activities before taxation		7,475,743	15,294,343
Tax on profit on ordinary activities	6	(2,675,698)	-
Profit for the year	11	4,800,045	15,294,343

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

GALLIARD CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Current assets					
Stocks	7	7,849,501		8,546,530	
Debtors	8	41,254,475		29,330,209	
Cash at bank and in hand		4,779,409		12,020,386	
		<u>53,883,385</u>		<u>49,897,125</u>	
Creditors amounts falling due within one year	9	<u>(28,245,383)</u>		<u>(29,059,168)</u>	
Total assets less current liabilities		<u>25,638,002</u>		<u>20,837,957</u>	
Capital and reserves					
Called up share capital	10	1,000,000		1,000,000	
Profit and loss account	11	<u>24,638,002</u>		<u>19,837,957</u>	
Shareholders' funds	12	<u>25,638,002</u>		<u>20,837,957</u>	

Approved by the Board and authorised for issue on 22 November 2011

S S Conway
Director

Company Registration No 3156120

GALLIARD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1 'Cash Flow Statements' not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value. Work in progress and finished goods include labour and attributable overheads

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract

1.5 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit

Operating profit is stated after charging

Fees payable to the company's auditor for the audit of the company's annual accounts

2011	2010
£	£

2,000	2,000
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GALLIARD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

4	Investment income	2011	2010
		£	£
	Bank interest	40,985	109,397
		<u>40,985</u>	<u>109,397</u>
5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	10,258	4,871
		<u>10,258</u>	<u>4,871</u>
6	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	2,675,698	-
	Total current tax	<u>2,675,698</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	7,475,743	15,294,343
		<u>7,475,743</u>	<u>15,294,343</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	2,093,208	4,282,416
		<u>2,093,208</u>	<u>4,282,416</u>
	Effects of		
	Non deductible expenses	582,490	-
	Utilisation of group relief	-	(4,282,416)
		<u>582,490</u>	<u>(4,282,416)</u>
	Current tax charge for the year	<u>2,675,698</u>	<u>-</u>
7	Stocks	2011	2010
		£	£
	Work in progress	7,849,501	8,546,530
		<u>7,849,501</u>	<u>8,546,530</u>

GALLIARD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

8 Debtors	2011 £	2010 £
Trade debtors	12,621,702	15,477,682
Amounts due from group undertakings	28,384,426	13,833,825
Other debtors	248,347	1,750
Prepayments and accrued income	-	16,952
	<u>41,254,475</u>	<u>29,330,209</u>

All amounts fall due for payment within one year

9 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	596,123	341,272
Trade creditors	5,165,012	5,721,768
Amounts owed to related parties	5,215	5,225
Corporation tax	2,675,698	-
Other taxes and social security costs	-	79,114
Other creditors	4,843,140	2,323,254
Accruals and deferred income	14,960,195	20,588,535
	<u>28,245,383</u>	<u>29,059,168</u>

The bank loan is secured

10 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2010	19,837,957
Profit for the year	<u>4,800,045</u>
Balance at 31 March 2011	<u>24,638,002</u>

GALLIARD CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	4,800,045	15,294,343
Opening shareholders' funds	20,837,957	5,543,614
	<hr/>	<hr/>
Closing shareholders' funds	25,638,002	20,837,957
	<hr/>	<hr/>

13 Employees

Number of employees

There were no employees during the year apart from the directors

None of the directors received any remuneration in the year

14 Control

The ultimate parent company is Galliard Holdings Limited, a company registered in England and Wales

Galliard Holdings Limited prepares group financial statements and copies can be obtained from - 3rd Floor Sterling House, Langston Road, Loughton, Essex IG10 3TS

There is no ultimate controlling party

15 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8, from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company and are publicly available

Joint Ventures

Net sales of £1,266,763 (2010 - £16,844,686) took place between Galliard Construction Limited and companies which are joint ventures within the Galliard Holdings Limited group during the year

The following amounts due from joint ventures were included in the trade debtors

St James Club Limited £Nil (2010 - £23,708), Boatport Limited £Nil (2010 - £500,000), Roamquest Limited £26,693 (2010 - £Nil), Strand Residential GP Limited £1,226,852 (2010 - £Nil), Workout Limited £3,349 (2010 - £3,349)