
CODE CONSTRUCTION DEMOLITION PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2008



Clement Keys

CHARTERED ACCOUNTANTS

TUESDAY



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CODE CONSTRUCTION DEMOLITION PLC

COMPANY INFORMATION

DIRECTORS

C P Rawlins
P G Goodwin
C J Dent
N A Evans
C P Denning

COMPANY SECRETARY

C J Dent

COMPANY NUMBER

5197031

REGISTERED OFFICE

Old House
Gorsey Lane
Coleshill
West Midlands
B46 1JU

CODE CONSTRUCTION DEMOLITION PLC

CONTENTS

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 23
The following pages do not form part of the statutory accounts:	
Company detailed profit and loss account and summaries	24 - 26

CODE CONSTRUCTION DEMOLITION PLC

DIRECTORS' REPORT for the year ended 31 August 2008

The directors present their report and the financial statements for the year ended 31 August 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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). 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 judgments and 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 group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and 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.

PRINCIPAL ACTIVITIES

The principal activities are the provision of land remediation, decontamination and site clearance including bulk earthworks, materials management, demolition and all associated activities.

CODE CONSTRUCTION DEMOLITION PLC

DIRECTORS' REPORT for the year ended 31 August 2008

BUSINESS REVIEW

The financial year ending 31 August 2008 has been a disappointing year.

This is down to many factors:

- Losses in the year on old unsettled Road and Sewers contracts, which is a sector we no longer operate in.
- Bad debts from the effects of the credit crunch in these unprecedented times.
- The complete collapse of the Residential Market
- Projects due to start that have been held back as the construction market has weakened.
- Payments in lieu of notice and redundancy costs

Overheads have been reduced dramatically to reflect the size of our business: our current overhead has been reduced to £500,000, a drop of nearly 40%.

Code started to feel the effects of the downturn very early compared to other sectors in our industry and at the time of writing our enquiry levels have doubled and we are winning work on a much improved ratio.

We now carry out more work in the public sector with our business successfully applying for inclusion on select lists and are now enjoying the fruits of our labour.

The house building market has now shown signs of improving and the large developers have started to prepare sites ready for build later in the year.

We are part of a strong diverse group and during these difficult times are benefiting from more work from our sister companies, something which has happened far less in the past.

We anticipate being able to achieve a profit even in these difficult times in the coming financial year as our business is at the front end of construction. We should therefore come out of these difficult times sooner than companies in other areas of the industry

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £184,259 (2007 - loss £271,856).

The directors do not propose the payment of an ordinary dividend. The loss for the year is taken to reserves.

DIRECTORS

The directors who served during the year were:

C P Rawlins
P G Goodwin
C J Dent
N A Evans
C P Denning

CODE CONSTRUCTION DEMOLITION PLC

DIRECTORS' REPORT for the year ended 31 August 2008

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

AUDITOR

The auditor, Clement Keys, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 30 March 2009 and signed on its behalf.



C J Dent
Secretary

CODE CONSTRUCTION DEMOLITION PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CODE CONSTRUCTION DEMOLITION PLC

We have audited the group and parent company financial statements (the "financial statements") of Code Construction Demolition plc for the year ended 31 August 2008, set out on pages 6 to 23. 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 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 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 in the statement of directors' responsibilities.

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 directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the group 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 directors' report 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

CODE CONSTRUCTION DEMOLITION PLC

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CODE CONSTRUCTION
DEMOLITION PLC**

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 the group's and the parent company's affairs as at 31 August 2008 and of the group's loss 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 directors' report is consistent with the financial statements.

Clement Keys

CLEMENT KEYS

Chartered Accountants

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

30 March 2009

CODE CONSTRUCTION DEMOLITION PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2008

	Note	31 August 2008 £	16 months to 31 August 2007 £
TURNOVER	1,2	5,101,700	9,847,720
Cost of sales		<u>(4,452,828)</u>	<u>(8,863,282)</u>
GROSS PROFIT		648,872	984,438
Administrative expenses		<u>(829,318)</u>	<u>(1,315,732)</u>
OPERATING LOSS	3	(180,446)	(331,294)
EXCEPTIONAL ITEMS			
Net profit/(loss) on sale of tangible fixed assets	8	<u>411</u>	<u>(19,565)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(180,035)	(350,859)
Interest receivable		-	4,744
Interest payable	7	<u>(4,224)</u>	<u>(5,142)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(184,259)	(351,257)
Tax on loss on ordinary activities	9	<u>-</u>	<u>79,401</u>
LOSS FOR THE FINANCIAL YEAR	18	<u>(184,259)</u>	<u>(271,856)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and Loss Account.

The notes on pages 10 to 23 form part of these financial statements.

CODE CONSTRUCTION DEMOLITION PLC

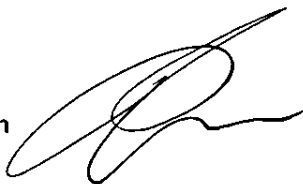
CONSOLIDATED BALANCE SHEET
as at 31 August 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	10		106,468		155,443
CURRENT ASSETS					
Stocks	12	166,026		605,409	
Debtors: amounts falling due after more than one year	13	258,555		258,555	
Debtors: amounts falling due within one year	13	674,599		1,002,355	
Cash at bank		283,569		375,469	
		<u>1,382,749</u>		<u>2,241,788</u>	
CREDITORS: amounts falling due within one year	14	<u>(1,796,735)</u>		<u>(2,416,547)</u>	
NET CURRENT LIABILITIES			<u>(413,986)</u>		<u>(174,759)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(307,518)</u>		<u>(19,316)</u>
CREDITORS: amounts falling due after more than one year	15		<u>(43,078)</u>		<u>(147,021)</u>
NET LIABILITIES			<u><u>(350,596)</u></u>		<u><u>(166,337)</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		550,100		550,100
Profit and loss account	18		<u>(900,696)</u>		<u>(716,437)</u>
SHAREHOLDERS' DEFICIT	19		<u><u>(350,596)</u></u>		<u><u>(166,337)</u></u>

The notes on pages 10 to 23 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 March 2009.

P G Goodwin
Director



C P Rawlins
Director



The notes on pages 10 to 23 form part of these financial statements.

CODE CONSTRUCTION DEMOLITION PLC

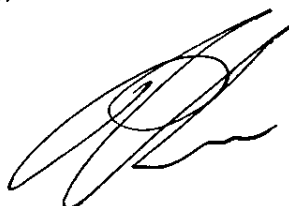
COMPANY BALANCE SHEET
as at 31 August 2008

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	10		106,468		155,443
Fixed asset investments	11		100		100
			<u>106,568</u>		<u>155,543</u>
CURRENT ASSETS					
Stocks	12	166,026		605,409	
Debtors: amounts falling due after more than one year	13	258,555		258,555	
Debtors: amounts falling due within one year	13	674,599		1,002,355	
Cash at bank		283,569		375,469	
		<u>1,382,749</u>		<u>2,241,788</u>	
CREDITORS: amounts falling due within one year	14	<u>(1,796,835)</u>		<u>(2,416,647)</u>	
NET CURRENT LIABILITIES			<u>(414,086)</u>		<u>(174,859)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(307,518)</u>		<u>(19,316)</u>
CREDITORS: amounts falling due after more than one year	15		<u>(43,078)</u>		<u>(147,021)</u>
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P G Goodwin
Director



C P Rawlins
Director

The notes on pages 10 to 23 form part of these financial statements.

CODE CONSTRUCTION DEMOLITION PLC

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2008

		31 August 2008	<i>16 months to 31 August 2007</i>
	Note	£	£
Net cash flow from operating activities	20	(64,545)	171,302
Returns on investments and servicing of finance	21	(4,224)	(398)
Capital expenditure and financial investment	21	10,342	45,668
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(58,427)	216,572
Financing	21	(33,473)	(32,196)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(91,900)	184,376

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 31 August 2008

	31 August 2008	<i>16 months to 31 August 2007</i>
	£	£
(Decrease)/Increase in cash in the year	(91,900)	184,376
Cash outflow from decrease in debt and lease financing	33,473	32,196
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(58,427)	216,572
New finance lease	(15,000)	(12,800)
MOVEMENT IN NET DEBT IN THE YEAR	(73,427)	203,772
Net funds at 1 September 2007	319,971	116,199
NET FUNDS AT 31 AUGUST 2008	246,544	319,971

The notes on pages 10 to 23 form part of these financial statements.

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Code Construction Demolition plc and all of its subsidiary undertakings ('subsidiaries').

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. The policy for income recognition on long term contract work in progress is given at 1.9 below.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	25-33% reducing balance and straight line
Motor vehicles	-	10-25% reducing balance
Furniture, fittings and equipment	-	33-50% straight line

1.5 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 STOCKS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2008

1. ACCOUNTING POLICIES (continued)

1.8 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.9 LONG-TERM CONTRACT WORK IN PROGRESS

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 at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.10 PENSIONS

The company contributes to a personal stakeholder scheme.

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging:

	31 August 2008 £	16 months to 31 August 2007 £
Depreciation of tangible fixed assets:		
- owned by the group	33,691	80,194
- held under finance leases	20,353	22,973
	<u>54,044</u>	<u>103,167</u>

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

4. AUDITORS' REMUNERATION

	31 August 2008 £	16 months to 31 August 2007 £
Fees payable to the company's auditor for the audit of the company's annual accounts	4,000	4,500

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	GROUP		COMPANY	
	31 August 2008 £	16 months to 31 August 2007 £	31 August 2008 £	16 months to 31 August 2007 £
Wages and salaries	939,742	1,814,084	939,742	1,814,084
Social security costs	93,194	183,125	93,194	183,125
Other pension costs	39,034	70,169	39,034	70,169
	<u>1,071,970</u>	<u>2,067,378</u>	<u>1,071,970</u>	<u>2,067,378</u>

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

	GROUP		COMPANY	
	31 August 2008 No.	16 months to 31 August 2007 No.	31 August 2008 No.	16 months to 31 August 2007 No.
Production	26	64	26	64

6. DIRECTORS' REMUNERATION

	31 August 2008 £	16 months to 31 August 2007 £
Emoluments	291,979	385,705
Company pension contributions to money purchase pension schemes	22,053	36,587

During the year retirement benefits were accruing to 3 directors (2007 - 3) in respect of money purchase pension schemes.

The highest paid director received remuneration of £124,763 (2007 - £164,441).

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

7. INTEREST PAYABLE

	31 August 2008 £	16 months to 31 August 2007 £
On bank overdraft	-	730
On finance leases and hire purchase contracts	4,224	4,412
	<u>4,224</u>	<u>5,142</u>

8. EXCEPTIONAL ITEMS

	31 August 2008 £	16 months to 31 August 2007 £
Profit/(loss) on disposal of fixed assets	411	(19,565)
	<u>411</u>	<u>(19,565)</u>

9. TAXATION

	31 August 2008 £	16 months to 31 August 2007 £
ANALYSIS OF TAX CHARGE IN THE YEAR/PERIOD		
DEFERRED TAX		
Origination and reversal of timing differences	(39,271)	(91,345)
Effect of decreased tax rate on opening liability	-	11,944
Discount applied	39,271	-
	<u>-</u>	<u>(79,401)</u>
TOTAL DEFERRED TAX (see note 16)	<u>-</u>	<u>(79,401)</u>
TAX ON LOSS ON ORDINARY ACTIVITIES	<u>-</u>	<u>(79,401)</u>

The deferred tax provision has been computed at 28%, the rate at which the provision is expected to reverse.

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

9. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is higher than (2007 - *higher than*) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	31 August 2008 £	16 months to 31 August 2007 £
Loss on ordinary activities before tax	(184,259)	(351,257)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	(51,593)	(105,377)
EFFECTS OF:		
Expenses not deductible for tax purposes	4,507	7,507
Capital allowances for year/period in excess of depreciation	85	7,456
Tax losses not utilised	47,001	90,414
CURRENT TAX CHARGE FOR THE YEAR/PERIOD (see note above)	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Losses of approximately £993,373 are available for offset against future trading profits. The directors are of the opinion that these losses will be utilised in the foreseeable future and a deferred tax asset is provided within the financial statements.

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
GROUP COST				
At 1 September 2007	108,374	243,498	14,984	366,856
Additions	-	19,108	-	19,108
Disposals	(39,000)	(30,500)	(14,984)	(84,484)
At 31 August 2008	69,374	232,106	-	301,480
DEPRECIATION				
At 1 September 2007	69,566	127,377	14,470	211,413
Charge for the year	17,580	35,966	498	54,044
On disposals	(32,646)	(22,831)	(14,968)	(70,445)
At 31 August 2008	54,500	140,512	-	195,012
NET BOOK VALUE				
At 31 August 2008	14,874	91,594	-	106,468
At 31 August 2007	38,808	116,121	514	155,443

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
GROUP		
Motor vehicles	63,124	52,751

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

TANGIBLE FIXED ASSETS (continued)

COMPANY	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST				
At 1 September 2007	108,374	243,498	14,984	366,856
Additions	-	19,108	-	19,108
Disposals	(39,000)	(30,500)	(14,984)	(84,484)
At 31 August 2008	69,374	232,106	-	301,480
DEPRECIATION				
At 1 September 2007	69,566	127,377	14,470	211,413
Charge for the year	17,580	35,966	498	54,044
On disposals	(32,646)	(22,831)	(14,968)	(70,445)
At 31 August 2008	54,500	140,512	-	195,012
NET BOOK VALUE				
At 31 August 2008	14,874	91,594	-	106,468
At 31 August 2007	38,808	116,121	514	155,443

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

COMPANY	2008 £	2007 £
Motor vehicles	63,124	52,751

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

11. FIXED ASSET INVESTMENTS

COMPANY	Shares in group undertakings
COST	£
At 1 September 2007 and 31 August 2008	100

12. STOCKS AND WORK IN PROGRESS

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Long term contract balances	166,026	605,409	166,026	605,409
Long term contract balances consist of:				
	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Costs to date less provision for losses	11,905,353	18,813,424	11,905,353	18,813,424
Applicable payments on account	(11,739,327)	(18,208,015)	(11,739,327)	(18,208,015)
	166,026	605,409	166,026	605,409

Profit is included in long term contracts in accordance with Statement of Standard Accounting Practice No. 9 and amounts to £840,657 (2007 - £943,526).

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

13. DEBTORS

	GROUP		COMPANY	
	2008 £	2007 £	2008 £	2007 £
DUE AFTER MORE THAN ONE YEAR				
Deferred tax asset (see note 16)	258,555	258,555	258,555	258,555
	<u>258,555</u>	<u>258,555</u>	<u>258,555</u>	<u>258,555</u>
	GROUP		COMPANY	
	2008 £	2007 £	2008 £	2007 £
DUE WITHIN ONE YEAR				
Trade debtors	630,955	906,856	630,955	906,856
Amounts owed by group undertakings	1,200	-	1,200	-
Amounts owed by undertakings in which the company has a participating interest	-	4,027	-	4,027
Other debtors	-	654	-	654
Prepayments and accrued income	42,444	90,818	42,444	90,818
	<u>674,599</u>	<u>1,002,355</u>	<u>674,599</u>	<u>1,002,355</u>

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

	GROUP		COMPANY	
	2008 £	2007 £	2008 £	2007 £
Payments received on account	32,384	48,705	32,384	48,705
Net obligations under finance leases and hire purchase contracts	31,400	27,223	31,400	27,223
Trade creditors	508,072	791,769	508,072	791,769
Amounts owed to group undertakings	-	-	100	100
Amounts owed to companies having a participating interest	1,180,306	1,507,845	1,180,306	1,507,845
Social security and other taxes	37,389	36,332	37,389	36,332
Other creditors	2,684	173	2,684	173
Accruals and deferred income	4,500	4,500	4,500	4,500
	<u>1,796,735</u>	<u>2,416,547</u>	<u>1,796,835</u>	<u>2,416,647</u>

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

15. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Payments received on account	37,453	118,746	37,453	118,746
Net obligations under finance leases and hire purchase contracts	5,625	28,275	5,625	28,275
	43,078	147,021	43,078	147,021

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Between one and five years	5,625	28,275	5,625	28,275

16. DEFERRED TAX ASSET

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
At 1 September 2007	258,555	179,154	258,555	179,154
Released during the year	-	79,401	-	79,401
At 31 August 2008	258,555	258,555	258,555	258,555

The deferred tax asset is made up as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Depreciation exceeding capital allowances	19,683	21,645	19,683	21,645
Tax losses brought forward	278,143	236,910	278,143	236,910
Undiscounted provision for deferred tax	297,826	258,555	297,826	258,555
Discount	(39,271)	-	(39,271)	-
Discounted provision for deferred tax	258,555	258,555	258,555	258,555

Having regard to the future projections for the group and company a discount has been applied to the deferred tax asset arising as detailed above.

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

17. SHARE CAPITAL

	2008 £	2007 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
25,000 A Ordinary shares of £1 each	25,000	25,000
25,000 B Ordinary shares of £1 each	25,000	25,000
100 C Ordinary shares of £1 each	100	100
500,000 Preference shares of £1 each	500,000	500,000
	<u>550,100</u>	<u>550,100</u>

All classes of share rank equally in all respects except:

- a) in matters relating to the transfer of those shares where certain conditions prevail;
- b) the preference shares and the 'C' shares are not entitled to a dividend unless otherwise authorised by the directors of the company;
- c) the holders of the preference shares are entitled to a first call on assets of the company in the event of a winding up to the value of £1 per share;

For the purposes of reporting under Financial Reporting Standard 8 no individual has overall control of the group.

18. RESERVES

	Profit and loss account £
GROUP	
At 1 September 2007	(716,437)
Loss for the year	(184,259)
	<u>(900,696)</u>
At 31 August 2008	<u>(900,696)</u>
COMPANY	
At 1 September 2007	(716,437)
Loss for the year	(184,259)
	<u>(900,696)</u>
At 31 August 2008	<u>(900,696)</u>

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2008	2007
	£	£
GROUP		
Opening shareholders' (deficit)/funds	(166,337)	105,519
Loss for the year/period	(184,259)	(271,856)
	<u>(350,596)</u>	<u>(166,337)</u>
Closing shareholders' deficit	<u>(350,596)</u>	<u>(166,337)</u>
	2008	2007
	£	£
COMPANY		
Opening shareholders' (deficit)/funds	(166,337)	105,519
Loss for the year/period	(184,259)	(271,856)
	<u>(350,596)</u>	<u>(166,337)</u>
Closing shareholders' deficit	<u>(350,596)</u>	<u>(166,337)</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account.

The loss for the year/period dealt with in the accounts of the company was £184,259 (2007 - £271,856).

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August	16 months to
	2008	31 August
	£	£
Operating loss	(180,446)	(331,294)
Depreciation of tangible fixed assets	54,044	103,167
Decrease in stocks	439,383	11,078
Decrease in debtors	327,756	1,404,082
Decrease in creditors	(705,282)	(1,015,731)
	<u>(64,545)</u>	<u>171,302</u>
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>(64,545)</u>	<u>171,302</u>

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2008

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 August 2008 £	16 months to 31 August 2007 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	-	4,744
Interest paid	-	(730)
Hire purchase interest	(4,224)	(4,412)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>(4,224)</u>	<u>(398)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(4,108)	(38,054)
Sale of tangible fixed assets	14,450	83,722
NET CASH INFLOW FROM CAPITAL EXPENDITURE	<u>10,342</u>	<u>45,668</u>
FINANCING		
Repayment of finance leases	<u>(33,473)</u>	<u>(32,196)</u>

22. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2007 £	Cash flow £	Other non-cash changes £	31 August 2008 £
Cash at bank and in hand:	375,469	(91,900)	-	283,569
DEBT:				
Debts due within one year	(27,223)	33,473	(37,650)	(31,400)
Debts falling due after more than one year	(28,275)	-	22,650	(5,625)
NET FUNDS	<u>319,971</u>	<u>(58,427)</u>	<u>(15,000)</u>	<u>246,544</u>

23. PENSION COMMITMENTS

The company contributes to a personal stakeholder scheme.

CODE CONSTRUCTION DEMOLITION PLC

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2008

24. RELATED PARTY TRANSACTIONS

During the period Code Construction Demolition plc received construction services amounting to £458,961 (2007 - £201,207) provided by Drayton Crushing and Construction Limited of which C Rawlins is a current director and recharged costs of £20,000 to Drayton Crushing and Construction Limited. Management charges of £52,000 (2007 - £160,000) were paid to Old House Holdings Limited a shareholder and a company in which P G Goodwin is a director.