

REGISTERED NUMBER: 152713 (Scotland)

Abbreviated Accounts for the Year Ended 31 August 2008

for

GHI Contracts Limited

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GHI Contracts Limited

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for the Year Ended 31 August 2008

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GHI Contracts Limited

Company Information
for the Year Ended 31 August 2008

DIRECTORS:

G Holmes
G Cairns
Mrs S Hunter
D McArthur (Non Executive)
D McDicken
C Sibbald
K Dagger
G Mochan (Non Executive)

SECRETARY:

Mrs S Hunter

REGISTERED OFFICE:

Belgrave Court
Rosehall Road
Bellshill
ML4 3NR

REGISTERED NUMBER:

152713 (Scotland)

AUDITORS:

Scott-Moncrieff
Chartered Accountants and
Registered Auditor
25 Bothwell Street
Glasgow
G2 6NL

GHI Contracts Limited

Report of the Directors for the Year Ended 31 August 2008

The directors present their report with the accounts of the company for the year ended 31 August 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of interior design and construction.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

Turnover has increased by 14% over the previous year, which is an excellent achievement given the current economic climate. We have also continued to increase our market share and provide clients with a high level of service, which is part of our overall business strategy.

We recognise that the coming year will be considerably more challenging than this one, and we have taken steps to review our business plans and strategies, implementing procedures that we believe will help us through the downturn in the economy. Our strong reserves and management structure will help us through these leaner times, and position us well to take advantage of the economic upturn when it comes.

The Board of Directors meets regularly to discuss the detailed monthly management accounts, which highlight individual contract performance, gross profit levels and other key performance indicators. Budgets are reviewed regularly and closely monitored.

We consider the profit for the year to be satisfactory and look forward to the challenges ahead.

DIVIDENDS

Interim dividends per share were paid as follows:

14,000	- 22 October 2007
80,000	- 17 January 2008
1,500	- 7 March 2008
3,500	- 17 April 2008
<u>455,000</u>	- 1 July 2008
<u>554,000</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2008 will be £554,000 (2007 : £252,500).

FUTURE DEVELOPMENTS

The company will continue to seek business outside its current client base, whilst continuing to maintain the high standards that our existing clients have come to expect.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2007 to the date of this report.

G Holmes
G Cairns
Mrs S Hunter
D McArthur (Non Executive)
D McDicken
C Sibbald
K Dagger
G Mochan (Non Executive)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £1,400, all given to local charities which the directors considered worthy of support.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 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.

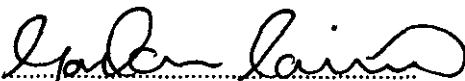
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Scott Moncrieff, Chartered Accountants, as auditors will be put to members at the annual general meeting.

ON BEHALF OF THE BOARD:


.....
G Cairns - Director

Date: 3 March 2009

Report of the Independent Auditors to
GHI Contracts Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages five to seventeen, together with the financial statements of GHI Contracts Limited for the year ended 31 August 2008 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

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 have been properly prepared in accordance with that provision.



Scott-Moncrieff
Chartered Accountants and
Registered Auditor
25 Bothwell Street
Glasgow
G2 6NL

Date: 3 March 2009

GHI Contracts Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2008

	Notes	31.8.08 £	31.8.07 £
GROSS PROFIT		3,124,502	3,039,439
Administrative expenses		<u>2,282,987</u>	<u>2,010,520</u>
OPERATING PROFIT	3	841,515	1,028,919
Interest receivable and similar income		<u>70,707</u>	<u>50,315</u>
		912,222	1,079,234
Interest payable and similar charges	4	<u>49,927</u>	<u>39,789</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		862,295	1,039,445
Tax on profit on ordinary activities	5	<u>(260,656)</u>	<u>(306,734)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>601,639</u>	<u>732,711</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current or previous year.

GHI Contracts Limited

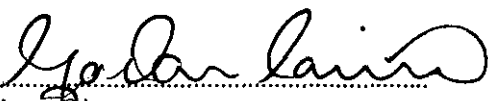
Abbreviated Balance Sheet

31 August 2008

	Notes	31.8.08 £	31.8.07 £
FIXED ASSETS			
Tangible assets	7	315,235	204,329
CURRENT ASSETS			
Stocks	8	1,585,756	1,460,997
Debtors	9	6,548,658	5,590,032
Cash at bank and in hand		<u>607,756</u>	<u>1,995,902</u>
		8,742,170	9,046,931
CREDITORS			
Amounts falling due within one year	10	<u>7,863,994</u>	<u>8,162,383</u>
NET CURRENT ASSETS		<u>878,176</u>	<u>884,548</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,193,411	1,088,877
CREDITORS			
Amounts falling due after more than one year	11	(91,545)	(50,791)
PROVISIONS FOR LIABILITIES	15	<u>(16,272)</u>	<u>(131)</u>
NET ASSETS		<u>1,085,594</u>	<u>1,037,955</u>
CAPITAL AND RESERVES			
Called up share capital	16	2	2
Profit and loss account	17	<u>1,085,592</u>	<u>1,037,953</u>
SHAREHOLDERS' FUNDS	21	<u>1,085,594</u>	<u>1,037,955</u>

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.

The financial statements were authorised for issue by the Board of Directors on 3 March 2009 and were signed on its behalf by:


.....
G Cairns - Director

GHI Contracts Limited**Cash Flow Statement****for the Year Ended 31 August 2008**

	Notes	31.8.08 £	£	31.8.07 £	£
Net cash (outflow)/inflow from operating activities	1		(446,031)		1,912,167
Returns on investments and servicing of finance	2		81,460		50,748
Taxation			(309,424)		(78,324)
Capital expenditure	2		(185,093)		28,689
Equity dividends paid			<u>(554,000)</u>		<u>(252,500)</u>
			(1,413,088)		1,660,780
Financing	2		<u>56,128</u>		<u>(98,785)</u>
(Decrease)/Increase in cash in the period			<u>(1,356,960)</u>		<u>1,561,995</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(1,356,960)		1,561,995	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(54,086)</u>		<u>97,978</u>	
Change in net funds resulting from cash flows			(1,411,046)		1,659,973
New finance leases			<u>(34,816)</u>		<u>(71,700)</u>
Movement in net funds in the period			(1,445,862)		1,588,273
Net funds at 1 September			<u>1,805,165</u>		<u>216,892</u>
Net funds at 31 August			<u>359,303</u>		<u>1,805,165</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 August 2008

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.8.08	31.8.07
	£	£
Operating profit	841,515	1,028,919
Depreciation charges	105,074	68,107
Loss on disposal of fixed assets	3,929	5,700
Government grants	(60,680)	(40,222)
Increase in stocks	(124,759)	(398,489)
Increase in debtors	(958,626)	(1,590,195)
(Decrease)/Increase in creditors	<u>(252,484)</u>	<u>2,838,347</u>
Net cash (outflow)/inflow from operating activities	<u>(446,031)</u>	<u>1,912,167</u>

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

	31.8.08	31.8.07
	£	£
Returns on investments and servicing of finance		
Interest received	70,707	50,315
Interest paid	(6,064)	-
Interest element of hire purchase payments	(43,863)	(39,789)
Government grants	<u>60,680</u>	<u>40,222</u>
Net cash inflow for returns on investments and servicing of finance	<u>81,460</u>	<u>50,748</u>
Capital expenditure		
Purchase of tangible fixed assets	(209,707)	(27,611)
Sale of tangible fixed assets	<u>24,614</u>	<u>56,300</u>
Net cash (outflow)/inflow for capital expenditure	<u>(185,093)</u>	<u>28,689</u>
Financing		
New loans in year	150,000	-
Loan repayments in year	(36,053)	-
Capital repayments in year	(59,861)	(97,978)
Amount introduced by directors	2,042	-
Amount withdrawn by directors	<u>-</u>	<u>(807)</u>
Net cash inflow/(outflow) from financing	<u>56,128</u>	<u>(98,785)</u>

GHI Contracts Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2008

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.07 £	Cash flow £	Other non-cash changes £	At 31.8.08 £
Net cash:				
Cash at bank and in hand	1,995,902	(1,388,146)	-	607,756
Bank overdraft	(87,358)	31,186	-	(56,172)
	<u>1,908,544</u>	<u>(1,356,960)</u>	<u>-</u>	<u>551,584</u>
Debt:				
Hire purchase	(103,379)	59,861	(34,816)	(78,334)
Debts falling due within one year	-	(50,007)	-	(50,007)
Debts falling due after one year	-	(63,940)	-	(63,940)
	<u>(103,379)</u>	<u>(54,086)</u>	<u>(34,816)</u>	<u>(192,281)</u>
Total	<u>1,805,165</u>	<u>(1,411,046)</u>	<u>(34,816)</u>	<u>359,303</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 August 2008**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the sales value of amounts supplied during the year, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long-term contract balances are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long-term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as incurred.

Pension costs and other post-retirement benefits

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

Government Grants

Government grants received for capital items are written off over the life of the asset to which they relate, and are included in other operating income where they are revenue based.

2. STAFF COSTS

	31.8.08	31.8.07
	£	£
Wages and salaries	4,006,374	3,218,915
Social security costs	422,684	343,469
Other pension costs	37,259	33,160
	<u>4,466,317</u>	<u>3,595,544</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008

2. STAFF COSTS - continued

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

	31.8.08	31.8.07
Administrative staff	30	27
Direct labour	<u>99</u>	<u>77</u>
	<u>129</u>	<u>104</u>

3. OPERATING PROFIT

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

	31.8.08	31.8.07
	£	£
Depreciation - owned assets	65,618	20,209
Depreciation - assets on hire purchase contracts	39,456	47,898
Loss on disposal of fixed assets	3,929	5,700
Auditors' remuneration	7,500	7,000
Government grants received	<u>(60,680)</u>	<u>(40,222)</u>
Directors' emoluments	<u>579,196</u>	<u>577,968</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
------------------------	----------	----------

No directors exercised share options during the year.

Information regarding the highest paid director is as follows:

	31.8.08	31.8.07
	£	£
Emoluments etc	<u>213,888</u>	<u>216,272</u>

During the year, £13,849 (2007 : £12,687) of pension contributions was paid on behalf of the directors into a money purchase scheme. Of this, £3,729 (2007 : £3,500) was paid on behalf of the highest paid director.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.8.08	31.8.07
	£	£
Bank loan interest	6,064	-
Hire purchase	8,456	11,932
Leasing	<u>35,407</u>	<u>27,857</u>
	<u>49,927</u>	<u>39,789</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008

5. TAXATION

Analysis of the tax charge

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

	31.8.08 £	31.8.07 £
Current tax:		
UK corporation tax	244,636	309,545
Overprovision in previous years	<u>(121)</u>	<u>(915)</u>
Total current tax	244,515	308,630
Deferred tax	<u>16,141</u>	<u>(1,896)</u>
Tax on profit on ordinary activities	<u>260,656</u>	<u>306,734</u>

UK corporation tax has been charged at 27.60% (2007 - 30%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.8.08 £	31.8.07 £
Profit on ordinary activities before tax	<u>862,295</u>	<u>1,039,445</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.644% (2007 - 28.935%)	238,373	300,763
Effects of:		
Expenses not deductible for tax purposes	17,901	6,140
Capital allowances in excess of depreciation for the period	(11,880)	812
Overprovision in previous years	121	915
Current tax charge	<u>244,515</u>	<u>308,630</u>

6. DIVIDENDS

	31.8.08 £	31.8.07 £
Ordinary shares of 0.001 each		
Interim	<u>554,000</u>	<u>252,500</u>

GHI Contracts Limited

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008**

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2007	78,027	274,804	160,680	513,511
Additions	190,522	42,673	11,328	244,523
Disposals	-	(67,660)	-	(67,660)
At 31 August 2008	<u>268,549</u>	<u>249,817</u>	<u>172,008</u>	<u>690,374</u>
DEPRECIATION				
At 1 September 2007	55,033	122,352	131,797	309,182
Charge for year	53,379	41,642	10,053	105,074
Eliminated on disposal	-	(39,117)	-	(39,117)
At 31 August 2008	<u>108,412</u>	<u>124,877</u>	<u>141,850</u>	<u>375,139</u>
NET BOOK VALUE				
At 31 August 2008	<u>160,137</u>	<u>124,940</u>	<u>30,158</u>	<u>315,235</u>
At 31 August 2007	<u>22,994</u>	<u>152,452</u>	<u>28,883</u>	<u>204,329</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 September 2007	240,614
Additions	42,673
Transfer to ownership	(67,660)
At 31 August 2008	<u>215,627</u>
DEPRECIATION	
At 1 September 2007	96,923
Charge for year	39,456
Transfer to ownership	(39,117)
At 31 August 2008	<u>97,262</u>
NET BOOK VALUE	
At 31 August 2008	<u>118,365</u>
At 31 August 2007	<u>143,691</u>

8. STOCKS

	31.8.08 £	31.8.07 £
Stocks	-	81,853
Work-in-progress	<u>1,585,756</u>	<u>1,379,144</u>
	<u>1,585,756</u>	<u>1,460,997</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.08	31.8.07
	£	£
Trade debtors	5,306,105	4,515,032
Amounts due from associated company	103,750	198,505
Other debtors	1,121,116	846,851
Prepayments and accrued income	17,687	29,644
	<u>6,548,658</u>	<u>5,590,032</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.08	31.8.07
	£	£
Bank loans and overdrafts (see note 12)	106,179	87,358
Hire purchase contracts (see note 13)	50,729	52,588
Trade creditors	2,504,542	2,923,491
Tax	244,636	309,545
Social security and other taxes	151,666	113,500
VAT	423,690	433,635
Other creditors	954,065	675,663
Directors' current accounts	3,627	1,585
Accrued expenses	<u>3,424,860</u>	<u>3,565,018</u>
	<u>7,863,994</u>	<u>8,162,383</u>

Included within Other creditors is an amount of £5,239 relating to pension contributions payable. This represents the contributions for August 2008, paid in September 2008.

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

	31.8.08	31.8.07
	£	£
Bank loans (see note 12)	63,940	-
Hire purchase contracts (see note 13)	<u>27,605</u>	<u>50,791</u>
	<u>91,545</u>	<u>50,791</u>

All hire purchase creditors fall due for payment within five years.

12. LOANS

An analysis of the maturity of loans is given below:

	31.8.08	31.8.07
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	56,172	87,358
Bank loans	<u>50,007</u>	<u>-</u>
	<u>106,179</u>	<u>87,358</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>63,940</u>	<u>-</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.8.08	31.8.07
	£	£
Net obligations repayable:		
Within one year	50,729	52,588
Between one and five years	<u>27,605</u>	<u>50,791</u>
	<u>78,334</u>	<u>103,379</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.08	31.8.07
	£	£
Bank overdrafts	56,172	87,358
Bank loans	113,947	-
Hire purchase	<u>78,334</u>	<u>103,379</u>
	<u>248,453</u>	<u>190,737</u>

Hire purchase creditors hold security over the respective assets financed.

The bank holds a bond and floating charge over the assets and undertakings of the company.

15. PROVISIONS FOR LIABILITIES

	31.8.08	31.8.07
	£	£
Deferred tax	<u>16,272</u>	<u>131</u>

	Deferred tax £
Balance at 1 September 2007	131
Charge for year	<u>16,141</u>
Balance at 31 August 2008	<u>16,272</u>

The provision for deferred tax is made up of accelerated capital allowances.

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.8.08	31.8.07
			£	£
1,000,000	Ordinary	0.001	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.8.08	31.8.07
			£	£
2,000	Ordinary	0.001	<u>2</u>	<u>2</u>

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008

17. **RESERVES**

	Profit and loss account £
At 1 September 2007	1,037,953
Profit for the year	601,639
Dividends	<u>(554,000)</u>
At 31 August 2008	<u>1,085,592</u>

18. **OTHER FINANCIAL COMMITMENTS**

During the next year, the company is committed to pay the following under operating leases for vehicles and equipment, expiring :

	< 1 Year £	1 - 2 Years £	2 - 5 Years £
2008	Nil	12,996	24,142
2007	Nil	Nil	28,587

19. **TRANSACTIONS WITH DIRECTORS**

The following loan to directors subsisted during the years ended 31 August 2008 and 31 August 2007:

	31.8.08 £	31.8.07 £
G Holmes		
Balance outstanding at start of year	1,585	2,392
Balance outstanding at end of year	3,627	1,585
Maximum balance outstanding during year	<u>(351,373)</u>	<u>101,253</u>

At 31 August 2008, the company owed £3,627 (2007 : £1,585) to Mr G Holmes, director. The loan is interest free, with no particular terms of repayment. The maximum balance owed by Mr Holmes in the year was £351,373.

During the year Mrs S Hunter director, purchased a car from the company at its market value of £8,000.

20. **RELATED PARTY DISCLOSURES**

Included within Debtors is an amount of £103,750 (2007 : £198,505), which represents a trade debt due by GHI (Developments) Ltd, a company in which Mr Graham Holmes, Mr Gordon Cairns and Mr Graham Mochan are interested.

During the year, GHI Contracts Ltd sold £733,011 (2007 : £987,620) of services to GHI (Developments) Ltd. All transactions were undertaken at arms length.

As of December 2007 GHI Contracts Ltd rented office premises from GHI (Developments) Ltd at an arms length market rate. In the year to 31 August 2008, the rental charge paid for this period was £38,883.

GHI Contracts Ltd has lodged £200,000 in a separate bank account held in its own name, as guarantee for bank loans advanced to GHI (Developments) Ltd.

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2008

21. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.8.08	31.8.07
	£	£
Profit for the financial year	601,639	732,711
Dividends	<u>(554,000)</u>	<u>(252,500)</u>
Net addition to shareholders' funds	47,639	480,211
Opening shareholders' funds	<u>1,037,955</u>	<u>557,744</u>
Closing shareholders' funds	<u>1,085,594</u>	<u>1,037,955</u>