

REGISTERED NUMBER: 152713 (Scotland)

Abbreviated Accounts for the Year Ended 31 August 2009

for

GHI Contracts Limited

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GHI Contracts Limited

Contents of the Abbreviated Accounts
for the Year Ended 31 August 2009

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

GHI Contracts Limited

Company Information
for the Year Ended 31 August 2009

DIRECTORS:

G Holmes
G Cairns
Mrs S Hunter
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 2009

The directors present their report with the accounts of the company for the year ended 31 August 2009.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

Turnover has decreased by 39% from the previous year as a result of the continued slump in economic climate. In particular commercial property and the finance sectors, previous strong areas for the business have been affected. We have had to tailor our business sales strategy to suit the market conditions which has resulted in seeking work in new sectors, such as health and education. By recognising early the affect the recession was to have on the business we reduced our overheads in line with turnover forecast. This ensured we protected our cash reserves.

We recognise the coming year will remain particularly challenging 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:

4,000	- 5 September 2008
100,000	- 15 October 2008
5,000	- 12 December 2008
2,000	- 23 January 2009
2,000	- 20 February 2009
2,000	- 6 March 2009
7,000	- 3 April 2009
10,700	- 1 May 2009
8,500	- 1 June 2009
8,000	- 2 July 2009
<u>6,500</u>	- 4 August 2009
<u>155,700</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2009 will be £155,700. (2008 : £554,000)

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 2008 to the date of this report.

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

GHI Contracts Limited

Report of the Directors
for the Year Ended 31 August 2009

DIRECTORS - continued

Other changes in directors holding office are as follows:

D McArthur (Non Executive) - resigned 30 April 2009

D McDicken - resigned 17 July 2009

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £242, all given to local charities which the directors considered worthy of support.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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;
- 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.

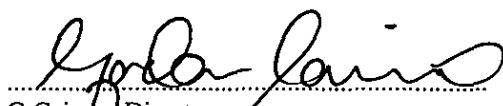
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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

The auditors, Scott-Moncrieff, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
G Cairns, Director

Date: 9 March 2010

Report of the Independent Auditors to
GHI Contracts Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to seventeen, together with the full financial statements of GHI Contracts Limited for the year ended 31 August 2009 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Bernadette Higgins (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff
Chartered Accountants and
Registered Auditor
25 Bothwell Street
Glasgow
G2 6NL

Date: 9 March 2010

GHI Contracts Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 August 2009

	Notes	31.8.09 £	31.8.08 £
TURNOVER		15,878,977	26,498,677
Cost of sales and other operating income		(14,081,200)	(23,374,175)
		<u>1,797,777</u>	<u>3,124,502</u>
Administrative expenses		<u>1,748,283</u>	<u>2,282,987</u>
OPERATING PROFIT	3	49,494	841,515
Interest receivable and similar income		<u>22,838</u>	<u>70,707</u>
		72,332	912,222
Interest payable and similar charges	4	<u>48,761</u>	<u>49,927</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23,571	862,295
Tax on profit on ordinary activities	5	<u>(5,360)</u>	<u>(260,656)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>18,211</u>	<u>601,639</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 2009

	Notes	31.8.09 £	31.8.08 £
FIXED ASSETS			
Tangible assets	7	218,123	315,235
CURRENT ASSETS			
Stocks	8	1,262,725	1,585,756
Debtors	9	2,921,627	6,548,658
Cash at bank and in hand		<u>622,538</u>	<u>607,756</u>
		4,806,890	8,742,170
CREDITORS			
Amounts falling due within one year	10	<u>4,052,262</u>	<u>7,863,994</u>
NET CURRENT ASSETS		<u>754,628</u>	<u>878,176</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		972,751	1,193,411
CREDITORS			
Amounts falling due after more than one year	11	(16,826)	(91,545)
PROVISIONS FOR LIABILITIES	15	<u>(7,820)</u>	<u>(16,272)</u>
NET ASSETS		<u>948,105</u>	<u>1,085,594</u>
CAPITAL AND RESERVES			
Called up share capital	16	2	2
Profit and loss account	17	<u>948,103</u>	<u>1,085,592</u>
SHAREHOLDERS' FUNDS	22	<u>948,105</u>	<u>1,085,594</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were authorised for issue by the Board of Directors on 9 March 2010 and were signed on its behalf by:


.....
G Cairns – Director

Company Registration No : SC152713

The notes form part of these abbreviated accounts

GHI Contracts Limited

Cash Flow Statement

for the Year Ended 31 August 2009

	Notes	31.8.09 £	£	31.8.08 £	£
Net cash inflow/(outflow) from operating activities	1		383,396		(446,031)
Returns on investments and servicing of finance	2		21,566		81,460
Taxation			(122,318)		(309,424)
Capital expenditure	2		19,590		(185,093)
Equity dividends paid			<u>(155,700)</u>		<u>(554,000)</u>
			146,534		(1,413,088)
Financing	2		<u>(107,743)</u>		<u>56,128</u>
Increase/(Decrease) in cash in the period			<u>38,791</u>		<u>(1,356,960)</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		38,791		(1,356,960)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>105,982</u>		<u>(54,086)</u>	
Change in net funds resulting from cash flows			144,773		(1,411,046)
New finance leases			<u>(8,286)</u>		<u>(34,816)</u>
Movement in net funds in the period			136,487		(1,445,862)
Net funds at 1 September			<u>359,303</u>		<u>1,805,165</u>
Net funds at 31 August			<u>495,790</u>		<u>359,303</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 August 2009

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

	31.8.09	31.8.08
	£	£
Operating profit	49,494	841,515
Depreciation charges	72,703	105,074
Loss on disposal of fixed assets	13,106	3,929
Government grants	(47,489)	(60,680)
Decrease/(Increase) in stocks	323,031	(124,759)
Decrease/(Increase) in debtors	3,627,031	(958,626)
Decrease in creditors	<u>(3,654,480)</u>	<u>(252,484)</u>
Net cash inflow/(outflow) from operating activities	<u>383,396</u>	<u>(446,031)</u>

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

	31.8.09	31.8.08
	£	£
Returns on investments and servicing of finance		
Interest received	22,838	70,707
Interest paid	(4,987)	(6,064)
Interest element of hire purchase payments	(43,774)	(43,863)
Government grants	<u>47,489</u>	<u>60,680</u>
Net cash inflow for returns on investments and servicing of finance	<u>21,566</u>	<u>81,460</u>
Capital expenditure		
Purchase of tangible fixed assets	-	(209,707)
Sale of tangible fixed assets	<u>19,590</u>	<u>24,614</u>
Net cash inflow/(outflow) for capital expenditure	<u>19,590</u>	<u>(185,093)</u>
Financing		
New loans in year	-	150,000
Loan repayments in year	(51,223)	(36,053)
Capital repayments in year	(54,760)	(59,861)
Amount introduced by directors	-	2,042
Amount withdrawn by directors	<u>(1,760)</u>	<u>-</u>
Net cash (outflow)/inflow from financing	<u>(107,743)</u>	<u>56,128</u>

GHI Contracts Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2009

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.08 £	Cash flow £	Other non-cash changes £	At 31.8.09 £
Net cash:				
Cash at bank and in hand	607,756	14,782	-	622,538
Bank overdraft	<u>(56,172)</u>	<u>24,009</u>	<u>-</u>	<u>(32,163)</u>
	<u>551,584</u>	<u>38,791</u>	<u>-</u>	<u>590,375</u>
Debt:				
Hire purchase	(78,334)	54,760	(8,286)	(31,860)
Debts falling due within one year	(50,007)	(1,161)	-	(51,168)
Debts falling due after one year	<u>(63,940)</u>	<u>52,383</u>	<u>-</u>	<u>(11,557)</u>
	<u>(192,281)</u>	<u>105,982</u>	<u>(8,286)</u>	<u>(94,585)</u>
Total	<u>359,303</u>	<u>144,773</u>	<u>(8,286)</u>	<u>495,790</u>

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2009

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

	31.8.09	31.8.08
	£	£
Wages and salaries	2,844,093	4,006,374
Social security costs	309,687	422,684
Other pension costs	36,293	37,259
	<u>3,190,073</u>	<u>4,466,317</u>

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2009

2. **STAFF COSTS - continued**

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

	31.8.09	31.8.08
Administrative staff	26	30
Direct labour	<u>67</u>	<u>99</u>
	<u>93</u>	<u>129</u>

3. **OPERATING PROFIT**

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

	31.8.09	31.8.08
	£	£
Depreciation - owned assets	53,939	65,618
Depreciation - assets on hire purchase contracts	18,764	39,456
Loss on disposal of fixed assets	13,106	3,929
Auditors' remuneration	6,000	7,500
Government grants received	<u>(47,489)</u>	<u>(60,680)</u>
Directors' remuneration	<u>363,203</u>	<u>579,196</u>

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

Money purchase schemes	<u>5</u>	<u>5</u>
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No directors exercised share options during the year.

Information regarding the highest paid director is as follows:

	31.8.09	31.8.08
	£	£
Emoluments etc	<u>91,980</u>	<u>213,888</u>

During the year, £14,077 (2008 : £13,849) of pension contributions was paid on behalf of the directors into a money purchase scheme. Of this, £3,870 (2008 : £3,729) was paid on behalf of the highest paid director.

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.8.09	31.8.08
	£	£
Bank loan interest	4,987	6,064
Hire purchase	5,567	8,456
Leasing	<u>38,207</u>	<u>35,407</u>
	<u>48,761</u>	<u>49,927</u>

Payments made under operating leases are in respect of the hire of plant and machinery.

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2009

5. **TAXATION**

Analysis of the tax charge

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

	31.8.09 £	31.8.08 £
Current tax:		
UK corporation tax	13,812	244,636
Overprovision in previous years	-	(121)
Total current tax	13,812	244,515
Deferred tax	(8,452)	16,141
Tax on profit on ordinary activities	<u>5,360</u>	<u>260,656</u>

UK corporation tax was charged at 27.60% in 2008.

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:

	31.8.09 £	31.8.08 £
Profit on ordinary activities before tax	<u>23,571</u>	<u>862,295</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 27.644%)	4,950	238,373
Effects of:		
Expenses not deductible for tax purposes	4,440	17,901
Capital allowances in excess of depreciation for the period	4,422	(11,880)
Overprovision in previous years	-	121
Current tax charge	<u>13,812</u>	<u>244,515</u>

6. **DIVIDENDS**

	31.8.09 £	31.8.08 £
Ordinary shares of 0.001 each		
Interim	<u>155,700</u>	<u>554,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2009

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2008	268,549	249,817	172,008	690,374
Additions	-	-	8,286	8,286
Disposals	<u>(8,889)</u>	<u>(45,274)</u>	<u>-</u>	<u>(54,163)</u>
At 31 August 2009	<u>259,660</u>	<u>204,543</u>	<u>180,294</u>	<u>644,497</u>
DEPRECIATION				
At 1 September 2008	108,412	124,877	141,850	375,139
Charge for year	37,812	25,280	9,611	72,703
Eliminated on disposal	<u>-</u>	<u>(21,468)</u>	<u>-</u>	<u>(21,468)</u>
At 31 August 2009	<u>146,224</u>	<u>128,689</u>	<u>151,461</u>	<u>426,374</u>
NET BOOK VALUE				
At 31 August 2009	<u>113,436</u>	<u>75,854</u>	<u>28,833</u>	<u>218,123</u>
At 31 August 2008	<u>160,137</u>	<u>124,940</u>	<u>30,158</u>	<u>315,235</u>

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

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2008	215,627	-	215,627
Additions	-	8,286	8,286
Disposals	(45,274)	-	(45,274)
Transfer to ownership	<u>(65,885)</u>	<u>-</u>	<u>(65,885)</u>
At 31 August 2009	<u>104,468</u>	<u>8,286</u>	<u>112,754</u>
DEPRECIATION			
At 1 September 2008	97,262	-	97,262
Charge for year	16,693	2,071	18,764
Eliminated on disposal	(21,468)	-	(21,468)
Transfer to ownership	<u>(38,090)</u>	<u>-</u>	<u>(38,090)</u>
At 31 August 2009	<u>54,397</u>	<u>2,071</u>	<u>56,468</u>
NET BOOK VALUE			
At 31 August 2009	<u>50,071</u>	<u>6,215</u>	<u>56,286</u>
At 31 August 2008	<u>118,365</u>	<u>-</u>	<u>118,365</u>

8. STOCKS

	31.8.09 £	31.8.08 £
Work-in-progress	<u>1,262,725</u>	<u>1,585,756</u>

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2009

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

	31.8.09	31.8.08
	£	£
Trade debtors	1,914,428	5,306,105
Amounts due from associated company	103,750	103,750
Other debtors	888,000	1,121,116
Prepayments and accrued income	15,449	17,687
	<u>2,921,627</u>	<u>6,548,658</u>

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

	31.8.09	31.8.08
	£	£
Bank loans and overdrafts (see note 12)	83,331	106,179
Hire purchase contracts (see note 13)	26,591	50,729
Trade creditors	1,305,040	2,504,542
Tax	136,130	244,636
Social security and other taxes	45,753	151,666
VAT	139,753	423,690
Other creditors	850,042	954,065
Directors' current accounts	1,867	3,627
Accrued expenses	1,463,755	3,424,860
	<u>4,052,262</u>	<u>7,863,994</u>

Included within other creditors is an amount of £4,395 relating to pension contributions payable. This represents the contributions for August 2009, paid in September 2009.

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

	31.8.09	31.8.08
	£	£
Bank loans (see note 12)	11,557	63,940
Hire purchase contracts (see note 13)	5,269	27,605
	<u>16,826</u>	<u>91,545</u>

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

12. **LOANS**

An analysis of the maturity of loans is given below:

	31.8.09	31.8.08
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	32,163	56,172
Bank loans	51,168	50,007
	<u>83,331</u>	<u>106,179</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	11,557	63,940

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2009

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	31.8.09	31.8.08
	£	£
Net obligations repayable:		
Within one year	26,591	50,729
Between one and five years	<u>5,269</u>	<u>27,605</u>
	<u>31,860</u>	<u>78,334</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.09	31.8.08
	£	£
Bank overdrafts	32,163	56,172
Bank loans	62,725	113,947
Hire purchase	<u>31,860</u>	<u>78,334</u>
	<u>126,748</u>	<u>248,453</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

	31.8.09	31.8.08
	£	£
Deferred tax	<u>7,820</u>	<u>16,272</u>
		Deferred tax
		£
Balance at 1 September 2008		16,272
Release for year		<u>(8,452)</u>
Balance at 31 August 2009		<u>7,820</u>

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

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.8.09	31.8.08
			£	£
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 2009

17. **RESERVES**

	Profit and loss account £
At 1 September 2008	1,085,592
Profit for the year	18,211
Dividends	<u>(155,700)</u>
At 31 August 2009	<u>948,103</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 £
2009	8,664	16,902	9,240
2008	Nil	12,996	24,142

19. **TRANSACTIONS WITH DIRECTORS**

The following loan from directors subsisted during the years ended 31 August 2009 and 31 August 2008:

	31.8.09 £	31.8.08 £
G Holmes		
Balance outstanding at start of year	3,627	1,585
Balance outstanding at end of year	1,867	3,627
Maximum balance outstanding during year	<u>103,674</u>	<u>(351,373)</u>

At 31 August 2009, the company owed £1,867 (2008 : £3,627) to Mr G Holmes, director. The loan is interest free, with no particular terms of repayment. The maximum balance owed to Mr Holmes in the year was £103,674.

20. **RELATED PARTY DISCLOSURES**

Included within Debtors is an amount of £103,750 (2008 : £103,750), 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 rented office premises from GHI (Developments) Ltd at an arms length market rate. In the year to 31 August 2009, the rental charge paid for this period was £83,418 including service charges.

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.

21. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr Graham Holmes, director who has a beneficial interest in the company of 100% of the issued share capital.

GHI Contracts Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 August 2009

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.8.09	31.8.08
	£	£
Profit for the financial year	18,211	601,639
Dividends	<u>(155,700)</u>	<u>(554,000)</u>
Net (reduction)/addition to shareholders' funds	(137,489)	47,639
Opening shareholders' funds	<u>1,085,594</u>	<u>1,037,955</u>
Closing shareholders' funds	<u>948,105</u>	<u>1,085,594</u>