

Company Registration No. 1435810 (England and Wales)

**F J CHALCROFT (CONSTRUCTION) LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**



# F J CHALCROFT (CONSTRUCTION) LIMITED

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# F J CHALCROFT (CONSTRUCTION) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

#### Principal activities and review of the business

F J Chalcroft (Construction) Limited operates as a construction company throughout the UK.

The company results show a pre-tax profit of £685,744 (2005: £238,554) for the year ended 31 March 2006 on sales of £41,475,886 (2005: £35,045,179).

We continue to focus on our core divisions of Food Projects and Telecommunications improving their turnover and profit margins. Our Renewables division had a good first year and we are actively moving into the wind energy sector which will be beneficial in the long term.

The construction industry is notoriously competitive but with our diversity we are well placed against any general downturn.

The company is subject to a number of risks including competition from other contractors, a general downturn in the industry and employee retention.

Given the straightforward nature of the company, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### Results and dividends

The results for the year are set out on page 4.

#### Directors

The following directors have held office since 1 April 2005:

F J Chalcroft  
S A England  
M A Reeve  
S Wilson  
F J Crossley  
D Reeve  
P Morley

#### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2006	1 April 2005
F J Chalcroft	50	50
S A England	-	-
M A Reeve	15	15
S Wilson	-	-
F J Crossley	-	-
D Reeve	10	10
P Morley	-	-
	Preferred ordinary shares of £ 1 each	
	31 March 2006	1 April 2005
F J Chalcroft	-	-
S A England	-	-
M A Reeve	-	-
S Wilson	-	-
F J Crossley	-	-
D Reeve	-	-
P Morley	-	-

# F J CHALCROFT (CONSTRUCTION) LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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### Auditors

Larking Gowen were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

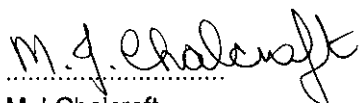
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



M J Chalcroft

Secretary

08/11/2006

**INDEPENDENT AUDITORS' REPORT TO F J CHALCROFT (CONSTRUCTION)  
LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 March 2006 prepared under section 226 of the Companies Act 1985.

**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 to be delivered are 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 on pages 4 to 16 are properly prepared in accordance with that provision.

*Larking Gowen*

.....  
**Larking Gowen**

**Chartered Accountants  
Registered Auditor  
Norwich**

*13 November 2006.*

# F J CHALCROFT (CONSTRUCTION) LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Gross profit		4,509,879	3,486,881
Administrative expenses		(3,870,767)	(3,279,710)
Operating profit	2	639,112	207,171
Investment income	3	(2)	-
Other interest receivable and similar income		46,634	31,383
Profit on ordinary activities before taxation		685,744	238,554
Tax on profit on ordinary activities	4	(225,793)	(56,741)
Profit for the year	14	459,951	181,813

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.

# F J CHALCROFT (CONSTRUCTION) LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	6	833,276		577,223	
Investments	7	-		2	
		<u>833,276</u>		<u>577,225</u>	
<b>Current assets</b>					
Stocks	8	1,616,876	1,012,792		
Debtors	9	7,951,088	7,432,118		
Cash at bank and in hand		1,306,306	1,002,172		
		<u>10,874,270</u>	<u>9,447,082</u>		
<b>Creditors: amounts falling due within one year</b>	10	<u>(9,725,011)</u>	<u>(8,201,723)</u>		
<b>Net current assets</b>		<u>1,149,259</u>		<u>1,245,359</u>	
<b>Total assets less current liabilities</b>		<u>1,982,535</u>		<u>1,822,584</u>	
		<u>1,982,535</u>		<u>1,822,584</u>	
<b>Capital and reserves</b>					
Called up share capital	13	100	100		
Other reserves	14	180,000	180,000		
Profit and loss account	14	1,802,435	1,642,484		
<b>Shareholders' funds</b>	15	<u>1,982,535</u>	<u>1,822,584</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 approved by the Board on 08/11/2006



F J Chalcroft  
Director

# F J CHALCROFT (CONSTRUCTION) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	2006		2005	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		2,380,882		(597,386)
Returns on investments and servicing of finance				
Interest received	46,634		31,383	
Net cash inflow for returns on investments and servicing of finance		46,634		31,383
Taxation		(67,197)		(211,053)
Capital expenditure				
Payments to acquire tangible assets	(415,903)		(214,460)	
Receipts from sales of tangible assets	5,999		3,000	
Net cash outflow for capital expenditure		(409,904)		(211,460)
Equity dividends paid		(300,000)		-
Net cash inflow/(outflow) before management of liquid resources and financing		1,650,415		(988,516)
Increase/(decrease) in cash in the year		1,650,415		(988,516)

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2006	2005
			£	£
	Operating profit		639,112	207,171
	Depreciation of tangible assets		157,105	157,829
	Profit on disposal of tangible assets		(3,254)	(392)
	Increase in stocks		(604,084)	(40,143)
	Increase in debtors		(506,343)	(2,274,574)
	Increase in creditors within one year		2,698,346	1,352,723
	Net cash inflow/(outflow) from operating activities		2,380,882	(597,386)

2	Analysis of net funds/(debt)	1 April 2005	Cash flow	Other non- 31 March 2006
				cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	1,002,172	304,134	-
	Bank overdrafts	(1,346,281)	1,346,281	-
		(344,109)	1,650,415	-
	Net (debt)/funds	(344,109)	1,650,415	-

3	Reconciliation of net cash flow to movement in net funds/(debt)	2006	2005
		£	£
	Increase/(decrease) in cash in the year	1,650,415	(988,516)
	Movement in net funds/(debt) in the year	1,650,415	(988,516)
	Opening net (debt)/funds	(344,109)	644,407
	Closing net funds/(debt)	1,306,306	(344,109)

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 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 and profits

Construction - see 1.8 below

Development - Turnover represents the amounts receivable from the sale of properties during the year. Properties are treated as sold and profits are taken when contracts are exchanged and the building work is physically complete.

Other - Turnover in respect of other activities represents the invoiced value of sales.

Value added tax is excluded from turnover.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line basis
Plant and machinery	20% straight line basis
Fixtures, fittings & equipment	33% straight line basis
Motor vehicles	25% - 33% straight line basis

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Stock and work in progress

Stock and work in progress (including property held for future development) are valued at the lower of cost and net realisable value.

#### 1.8 Long term contracts

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 work carried out at the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated based on an assessment of the fair value of the work completed (at the balance sheet date) compared to total contract value, less retentions. Where with some certainty costs relating to the retention period can be estimated, the excess retentions over and above estimated costs are recognised at the balance sheet date. Full provision is made for losses on all contracts in the year in which they are first foreseen.

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 1 Accounting policies

(continued)

#### 1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees and a separate scheme for certain directors. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

### 2 Operating profit

2006

2005

£

£

Operating profit is stated after charging:

Depreciation of tangible assets

157,105

157,829

Operating lease rentals

- Plant and machinery

310,956

252,055

- Other assets

41,150

64,790

Auditors' remuneration

10,000

9,700

and after crediting:

Profit on disposal of tangible assets

(3,254)

(392)

### 3 Investment income

2006

2005

£

£

Income from fixed asset investments

(2)

-

Bank interest

46,571

31,383

Other interest

63

-

46,632

31,383

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

4	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	237,851	67,197
	Adjustment for prior years	569	-
	<b>Current tax charge</b>	238,420	67,197
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(12,627)	(10,456)
		225,793	56,741
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	685,744	238,554
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 19.00%)	205,723	45,325
	Effects of:		
	Non deductible expenses	32,261	9,838
	Depreciation add back	47,131	29,988
	Capital allowances	(29,450)	(22,160)
	Tax losses utilised	-	4,637
	Adjustments to previous periods	569	-
	Chargeable disposals	-	(74)
	Marginal rate relief	(17,814)	(357)
		32,697	21,872
	<b>Current tax charge</b>	238,420	67,197
5	<b>Dividends</b>	2006 £	2005 £
	Ordinary 2005 interim paid	100,000	-
	Ordinary 2005 final paid	100,000	-
	Ordinary 2006 interim paid	100,000	-
		300,000	-

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2005	343,966	11,420	194,164	540,276	1,089,826
Additions	346,741	3,061	28,606	37,495	415,903
Disposals	-	-	-	(18,832)	(18,832)
At 31 March 2006	690,707	14,481	222,770	558,939	1,486,897
<b>Depreciation</b>					
At 1 April 2005	25,657	6,669	141,223	339,054	512,603
On disposals	-	-	-	(16,087)	(16,087)
Charge for the year	13,816	1,984	40,596	100,709	157,105
At 31 March 2006	39,473	8,653	181,819	423,676	653,621
<b>Net book value</b>					
At 31 March 2006	651,234	5,828	40,951	135,263	833,276
At 31 March 2005	318,306	4,751	52,940	201,226	577,223

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 April 2005	2
Disposals	(2)
At 31 March 2006	-
<b>Net book value</b>	
At 31 March 2006	-
At 31 March 2005	2

### Holdings of more than 20%

The company held more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Crystal Rose Limited	England	Ordinary	100.00

Crystal Rose Limited was struck off the Register and dissolved on 7 February 2006.

8 Stocks and work in progress	2006 £	2005 £
Raw materials and consumables	37,881	12,080
Work in progress	822,893	226,213
Development land	756,102	774,499
	<u>1,616,876</u>	<u>1,012,792</u>

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

9 Debtors	2006 £	2005 £
Trade debtors	6,031,332	4,006,334
Amounts recoverable on long term contracts	1,809,952	3,328,372
Prepayments and accrued income	88,459	88,694
Deferred tax asset (see note 11)	21,345	8,718
	<u>7,951,088</u>	<u>7,432,118</u>

10 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	-	1,346,281
Trade creditors	8,636,327	6,277,482
Corporation tax	238,419	67,196
Other taxes and social security costs	653,512	371,954
Accruals and deferred income	196,753	138,810
	<u>9,725,011</u>	<u>8,201,723</u>

The bank overdraft is secured by charges over the company's freehold property dated 6 June 2000, 6 January 2005 and 23 June 2005 and a debenture dated 20 February 2002.

### 11 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 9) is made up as follows:

	2006 £	2005 £
Balance at 1 April 2005	(8,718)	
Profit and loss account	(12,627)	
	<u>(21,345)</u>	
Balance at 31 March 2006		
	<u>(21,345)</u>	<u>(8,718)</u>

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 12 Pension costs

#### Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	271,000	-

### 13 Share capital

	2006 £	2005 £
<b>Authorised</b>		
180,075 Ordinary shares of £1 each	180,075	180,075
25 Preferred ordinary shares of £1 each	25	25
	<u>180,100</u>	<u>180,100</u>
 <b>Allotted, called up and fully paid</b>		
75 Ordinary shares of £1 each	75	75
25 Preferred ordinary shares of £1 each	25	25
	<u>100</u>	<u>100</u>

The preferred shareholder is entitled to an annual cumulative preference dividend of £50,000. The preferred ordinary shares rank pari passu with the ordinary shares in other respects.

### 14 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2005	180,000	1,642,484
Profit for the year	-	459,951
Dividends paid	-	(300,000)
	<u>180,000</u>	<u>1,802,435</u>
Balance at 31 March 2006		
 <b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 April 2005 & at 31 March 2006	<u>180,000</u>	

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

15 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial year	459,951	181,813
Dividends	(300,000)	-
Net addition to shareholders' funds	159,951	181,813
Opening shareholders' funds	1,822,584	1,640,771
Closing shareholders' funds	1,982,535	1,822,584

### 16 Financial commitments

At 31 March 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2007:

	Land and buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Operating leases which expire:				
Within one year	20,728	12,000	25,667	19,027
Between two and five years	12,000	12,000	138,297	85,506
	32,728	24,000	163,964	104,533

17 Capital commitments	2006 £	2005 £
At 31 March 2006 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	216,000

# F J CHALCROFT (CONSTRUCTION) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

18 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	465,539	450,023
Company pension contributions to money purchase schemes	271,000	-
	<u>736,539</u>	<u>450,023</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2005 - 0).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	91,458	89,278
Company pension contributions to money purchase schemes	<u>135,500</u>	<u>-</u>

### 19 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2006 Number	2005 Number
Administration	41	40
Production	106	93
	<u>147</u>	<u>133</u>

Employment costs	2006 £	2005 £
Wages and salaries	4,504,537	4,093,161
Social security costs	186,465	190,710
Other pension costs	271,000	-
	<u>4,962,002</u>	<u>4,283,871</u>

### 20 Control

The ultimate control rests with the directors by virtue of their shareholdings as set out on page 1 of these financial statements.