

Goldbeck Construction Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2006



Goldbeck Construction Limited

DIRECTORS AND OFFICERS

DIRECTORS

U Brackmann, Chairman
J-U Goldbeck

SECRETARY

JL Hoare

REGISTERED OFFICE

2 Bloomsbury Street
London WC1B 3ST

AUDITORS

Baker Tilly
Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley
Kent BR1 1LT

Goldbeck Construction Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Goldbeck Construction Limited for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The company's principal activity continued to be the supply and erection of prefabricated industrial and commercial buildings.

DIRECTORS

The following directors have held office since 1 April 2005:

U Brackmann
J-U Goldbeck

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Neither director had any beneficial interest in the company's share capital at any time during the year.

Mr Goldbeck has a beneficial interest in 14.6% of the €1,155,000 share capital of the ultimate group parent, Ortwin Goldbeck GmbH & Co. KG.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

CHARITABLE CONTRIBUTIONS

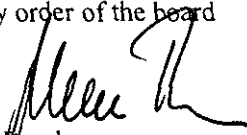
During the year the company made a charitable donation of £300 in support of the provision of sporting facilities for children in the community.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


U Brackmann
Director

30.08. 2006

Goldbeck Construction Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF GOLDBECK CONSTRUCTION LIMITED

We have audited the financial statements on pages 5 to 13.

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 Annual Report and 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

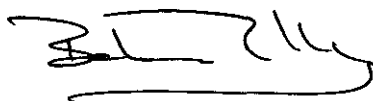
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 company's affairs at 31 March 2006 and of its profit for the year then ended and 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.

BAKER TILLY
Registered Auditor
Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley, Kent BR1 1LT



6 September 2006

Goldbeck Construction Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2006

	<i>Notes</i>	2006 £	2005 £
TURNOVER	1	2,843,592	4,369,841
Cost of sales		2,600,492	3,531,413
Gross profit		<u>243,100</u>	<u>838,428</u>
Administrative expenses		96,896	110,694
OPERATING PROFIT		<u>146,204</u>	<u>727,734</u>
Interest receivable and similar income	2	53,807	57,524
		<u>200,011</u>	<u>785,258</u>
Interest payable and similar charges	3	3,713	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>196,298</u>	<u>785,258</u>
Taxation	6	59,594	236,589
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u>£136,704</u>	<u>£548,669</u>

The operating profit for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Goldbeck Construction Limited

BALANCE SHEET

31 March 2006

	Notes	2006 £	2005 £
FIXED ASSETS	7	11,236	12,721
CURRENT ASSETS			
Debtors	8	1,799,605	3,804,886
Cash at bank and in hand		594,103	620,219
		2,393,708	4,425,105
CREDITORS: Amounts falling due within one year	9	1,612,719	3,689,762
NET CURRENT ASSETS		780,989	735,343
TOTAL ASSETS LESS CURRENT LIABILITIES		792,225	748,064
CREDITORS: Amounts falling due after more than one year	10	7,482	100,025
		£784,743	£648,039
CAPITAL AND RESERVES			
Called up share capital	11	25,000	25,000
Profit and loss account	12	759,743	623,039
SHAREHOLDERS' FUNDS	13	£784,743	£648,039

The financial statements on pages 5 to 13 were approved by the board and authorised for issue on ~~30.03.2006~~ 30.03.2006 and signed on its behalf by:


U Brackmann, Director

30.03.2006



Goldbeck Construction Limited

CASH FLOW STATEMENT

for the year ended 31 March 2006

	<i>Notes</i>	2006 £	2005 £
Cash inflow from operating activities	14a	211,397	344,293
Returns on investments and servicing of finance	14b	50,094	57,524
Taxation		(283,129)	(61,631)
Capital expenditure	14c	(4,478)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		£(26,116)	£340,186
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		2006 £	2005 £
(Decrease)/increase in cash in the period		(26,116)	340,186
Change in net funds resulting from cash flows		(26,116)	340,186
MOVEMENT IN NET FUNDS IN THE PERIOD		(26,116)	340,186
NET FUNDS AT 1 APRIL 2005		620,219	280,033
NET FUNDS AT 31 MARCH 2006		£594,103	£620,219

Goldbeck Construction Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Motor vehicles	25% per annum, straight line method
Computer equipment	25% per annum, straight line method

LONG TERM CONTRACTS

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors; to the extent that payments on account exceed relevant turnover, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks.

DEFERRED TAXATION

Deferred tax is recognised in respect of all significant timing differences which have originated but not reversed at the balance sheet date where transactions or events which result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred by the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates which are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

OPERATING LEASES

Annual rentals in respect of operating leases are charged to profit and loss account on a straight line basis over the lease term.

PENSION CONTRIBUTIONS

Contributions to private personal pension insurances are charged to profit and loss account as they accrue.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Goldbeck Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit on ordinary activities before taxation were derived from its principal activity. Sales were made in the following geographic markets:

	2006 £	2005 £
United Kingdom	2,843,592	4,368,306
Other European Union countries	-	1,535
	<u>£2,843,592</u>	<u>£4,369,841</u>

2 INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £	2005 £
Bank interest receivable	4,985	11,084
Intercompany interest receivable	36,201	42,457
Foreign currency translation gains	12,621	3,983
	<u>£53,807</u>	<u>£57,524</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Interest on overdue tax	£3,713	£ -

4 PROFIT ON ORDINARY ACTIVITIES

	2006 £	2005 £
This is stated after charging:		
Auditors' remuneration	£16,495	£10,000
Operating lease rentals:		
Motor vehicles	£3,075	£747
Depreciation of fixed assets:		
Owned assets	£5,963	£5,654

5 EMPLOYEES

The average weekly number of persons (including directors) employed by the company during the year was:

	No	No
Management	2	2
Construction	3	2
	<u>5</u>	<u>4</u>

Staff costs were as follows:

Salaries	129,645	98,056
Social security costs	16,200	12,211
Pension contributions	6,000	6,000
Other	1,806	596
	<u>£153,651</u>	<u>£116,863</u>

The directors were not remunerated for their services to the company.

Goldbeck Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

6	TAXATION	2006 £	2005 £
a.	Analysis of charge for the year		
	UK corporation tax on the profit for the year	£59,594	£236,589
b.	Factors affecting tax charge for the year		
	The tax charge for the year does not equate to the profit for the year at the standard rate of corporation tax in the UK of 30%. The differences are explained below:		
	Profit on ordinary activities before tax	196,298	785,258
	Profit on ordinary activities multiplied by standard rate of corporation tax UK of 30%	58,890	235,577
	Effects of:		
	Expenses not deductible for tax purposes	151	216
	Capital allowances less than depreciation	553	796
	Current tax charge for the year	£59,594	£236,589

c. **Factors which may affect future tax charges**

The company has an unrecognised potential deferred tax asset of £1,721 resulting from capital allowances being less than depreciation.

7	TANGIBLE FIXED ASSETS	Computer Equipment £	Motor vehicles £	Total £
	Cost			
	1 April 2005	-	22,615	22,615
	Additions	4,478	-	4,478
	31 March 2006	4,478	22,615	27,093
	Depreciation			
	1 April 2005	-	9,894	9,894
	Charged in the year	309	5,654	5,963
	31 March 2006	309	15,548	15,857
	Net book value			
	31 March 2006	£4,169	£7,067	£11,236
	31 March 2006	£ -	£12,721	£12,721

Goldbeck Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

8	DEBTORS	2006 £	2005 £
	Due within one year:		
	Trade debtors	814,250	544,322
	Amounts owed by group companies	833,532	3,177,736
	Amounts recoverable on contracts	42,028	-
	Recoverable corporation tax	16,406	-
	Other debtors	49,037	80,257
	Prepayments	2,324	2,571
		<u>1,757,577</u>	<u>3,804,886</u>
	Due in more than one year:	42,028	-
		<u>£1,797,605</u>	<u>£3,804,886</u>
9	CREDITORS: Amounts falling due within one year	2006 £	2005 £
	Trade creditors	13,951	307,341
	Amounts owed to group companies	-	2,962,136
	Corporation tax	-	207,129
	Other taxation and social security	4,047	3,112
	Others creditors	206,987	171,522
	Accruals	1,387,734	38,522
		<u>£1,612,719</u>	<u>£3,689,762</u>
10	CREDITORS: Amounts falling due after more than one year	2006 £	2005 £
	Other creditors	£7,482	£100,025
11	SHARE CAPITAL	2006 £	2005 £
	Authorised:		
	100,000 ordinary shares of £1 each	£100,000	£100,000
	Allotted, called up and fully paid:		
	25,000 ordinary shares of £1 each	£25,000	£25,000
12	PROFIT AND LOSS ACCOUNT	2006 £	2005 £
	1 April	623,039	74,370
	Profit for the year	136,704	548,669
	31 March	<u>£759,743</u>	<u>£623,039</u>

Goldbeck Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2006 £	2005 £		
	Profit for the financial year	136,704	548,669		
	Opening shareholders' funds	648,039	99,370		
	Closing shareholders' funds	<u>£784,743</u>	<u>£648,039</u>		
14	CASH FLOWS	2006 £	2005 £		
a	Reconciliation of operating profit to net cash inflow from operating activities				
	Operating profit	146,204	727,734		
	Depreciation	5,963	5,654		
	Decrease/(increase) in debtors	2,021,687	(1,814,496)		
	(Decrease)/increase in creditors	(1,962,457)	1,425,401		
	Net cash inflow from operating activities	<u>£211,397</u>	<u>£344,293</u>		
b	Returns on investments and servicing of finance				
	Interest received	53,807	57,524		
	Less: Interest paid	(3,713)	-		
	Net cash inflow from returns on investments and servicing of finance	<u>£50,094</u>	<u>£57,524</u>		
c	Capital expenditure and financial investment				
	Purchase of tangible fixed assets	<u>£4,478</u>	<u>£ -</u>		
d	Analysis of cash movements	<i>At 1 April 2005 £</i>	<i>Cash flow £</i>	<i>Other non- cash changes £</i>	<i>At 31 March 2006 £</i>
	Cash at bank and in hand	£620,219	£(26,116)	£ -	£594,103

Goldbeck Construction Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

15	RELATED PARTY DISCLOSURES	2006	
		£	
	Related party transactions and balances are as follows:		
	Goldbeck GmbH – immediate parent company		
	Settlement of account with Goldbeck Bau GmbH (fellow subsidiary)	£(2,962,136)	
	Working capital advances	£580,316	
	Interest on intercompany net funding	£36,201	
	Management charges	£(11,223)	
	Foreign currency exchange adjustment	£12,638	
		<hr/>	
	Balance receivable at 31 March 2006 – note 8	£833,256	
		<hr/>	
	Goldbeck Prefabeton s.r.o – fellow subsidiary		
	Purchase of construction materials	£65,672	
	Balance receivable at 31 March 2006 – Note 8	£276	
		<hr/>	
		2006	2005
		£	£
16	COMMITMENTS UNDER OPERATING LEASES		
	The company had annual commitments under non-cancellable operating leases as follows:		
	Motor cars		
	Expiring in the first year	-	-
	Expiring in the second to fifth years	6,151	9,506
		<hr/>	<hr/>
		£6,151	£9,506
		<hr/>	<hr/>
17	PENSIONS		
	The company contributes to a personal private pension insurance for one salaried employee. The pension cost of £6,000 (Note 5) represents contributions payable by the company during the year. There were no contributions outstanding at the year end.		
18	IMMEDIATE AND ULTIMATE CONTROLLING PARTIES		
	The company's immediate parent is Goldbeck International GmbH, a private limited company incorporated in Germany. Its ultimate parent is Ortwin Goldbeck GmbH & Co. KG, a German limited liability partnership, and the controlling party is Mr Ortwin Goldbeck, Germany.		