

Company Registration No. 4596307 (England and Wales)

**CONTRACT HOUSE BUILDERS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

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# **CONTRACT HOUSE BUILDERS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr C W J Head K Head
<b>Secretary</b>	Mr C W J Head
<b>Company number</b>	4596307
<b>Registered office</b>	Windsor House Barnett Way Barnwood Gloucester GL4 3RT
<b>Auditors</b>	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT
<b>Business address</b>	The Coach House, Highnam Court Highnam Gloucestershire GL2 8DP

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# **CONTRACT HOUSE BUILDERS LIMITED**

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# CONTRACT HOUSE BUILDERS LIMITED

## DIRECTORS' REPORT

For the year ended 31 March 2008

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

### Principal activities

The principal activities of the company were property development and investment. Following the disposal of its final property, the company ceased trading on 31 July 2008.

### Directors

The following directors have held office since 1 April 2007:

Mr C W J Head

K Head

Mr J D Perkins

(Resigned 18 March 2008)

P N F Phillipps

(Resigned 18 March 2008)

### Charitable donations

During the year the company made the following payments:

	2008	2007
	£	£
Charitable donations	3,015	2,380

### Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

# **CONTRACT HOUSE BUILDERS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**For the year ended 31 March 2008**

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### **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 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 that 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.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



Mr C W J Head

**Director**

10 February 2009

# **CONTRACT HOUSE BUILDERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF CONTRACT HOUSE BUILDERS LIMITED**

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We have audited the financial statements of Contract House Builders Limited for the year ended 31 March 2008 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 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 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 the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

# **CONTRACT HOUSE BUILDERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE SHAREHOLDERS OF CONTRACT HOUSE BUILDERS LIMITED**

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#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

#### **Emphasis of matter**

We bring to your attention the disclosures in note 1 regarding the cessation of trade subsequent to the balance sheet date and the implications on the preparation of the financial statements.



**Hazlewoods LLP**

11 February 2009

Chartered Accountants

**Registered Auditor**

Windsor House  
Barnett Way  
Barnwood  
Gloucester  
GL4 3RT

# CONTRACT HOUSE BUILDERS LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2008

	Notes	2008 £	2007 £
<b>Turnover</b>		2,172,182	4,158,135
Cost of sales		(2,406,615)	(3,357,746)
<b>Gross (loss)/profit</b>		(234,433)	800,389
Administrative expenses		(580,716)	(493,257)
Other operating income		-	54,029
<b>Operating (loss)/profit</b>	<b>2</b>	(815,149)	361,161
Profit on sale of property		440,696	100,928
<b>(Loss)/profit on ordinary activities before interest</b>		(374,453)	462,089
Other interest receivable and similar income		-	459
Interest payable and similar charges		(80,055)	(131,906)
<b>(Loss)/profit on ordinary activities before taxation</b>		(454,508)	330,642
Tax on (loss)/profit on ordinary activities	<b>3</b>	-	(56,906)
<b>(Loss)/profit for the year</b>	<b>11</b>	(454,508)	273,736



# CONTRACT HOUSE BUILDERS LIMITED

## BALANCE SHEET

As at 31 March 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	4 and 5		64,253		2,934,301
<b>Current assets</b>					
Stocks		1,900,000		283,457	
Debtors	6	3,554		73,365	
Cash at bank and in hand		337		337	
		<u>1,903,891</u>		<u>357,159</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,285,001)</u>		<u>(2,871,588)</u>	
<b>Net current liabilities</b>			<u>(381,110)</u>		<u>(2,514,429)</u>
<b>Total assets less current liabilities</b>			<u>(316,857)</u>		<u>419,872</u>
<b>Creditors: amounts falling due after more than one year</b>	8		-		(32,221)
			<u>(316,857)</u>		<u>387,651</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Revaluation reserve	11		-		81,688
Profit and loss account	11		(316,957)		305,863
<b>Shareholders' funds</b>			<u>(316,857)</u>		<u>387,651</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 10 February 2009



Mr C W J Head  
Director

# CONTRACT HOUSE BUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

At 31 March 2008, the company's only remaining material assets were a motor vehicle and a property being held for resale. Both of these assets were disposed of at their book value during the period ended 30 September 2008, for which statutory accounts have been prepared. Following the disposal of the property asset on 31 July 2008, the company ceased trading and can therefore no longer be considered to be a going concern. However, based on the above, no adjustments are required to restate the financial statements on a break-up basis.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 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	Nil (all land)
Plant and machinery	25% cost per annum
Motor vehicles	25% - 50% of cost per annum

#### 1.4 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal.

#### 1.5 Long term contracts

Profit from long term contracts is taken to the profit and loss account as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses.

Full provision is made for losses on all contracts in the year in which they are first foreseen. Long term contract work in progress is shown at net cost after deducting foreseeable losses and payments on account.

2 Operating (loss)/profit	2008 £	2007 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	33,455	33,455
Auditors' remuneration	3,500	3,500
Directors' emoluments	30,075	87,787
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# CONTRACT HOUSE BUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2008

3	Taxation		
		2008	2007
		£	£
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	56,906
	<b>Current tax charge</b>	-	56,906
4	Tangible fixed assets		
		Land and buildings	Plant and machinery etc
			Total
		£	£
	<b>Cost</b>		
	At 1 April 2007	63,600	138,245
	Disposals	(63,600)	(5,228)
	At 31 March 2008	-	133,017
	<b>Depreciation</b>		
	At 1 April 2007	-	40,537
	On disposals	-	(5,228)
	Charge for the year	-	33,455
	At 31 March 2008	-	68,764
	<b>Net book value</b>		
	At 31 March 2008	-	64,253
	At 31 March 2007	63,600	97,708

The net book value of other tangible fixed assets includes £42,509 (2007 - £63,763) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £21,254 (2007 - £21,254) for the year.

# CONTRACT HOUSE BUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2008

### 5 Tangible fixed assets

	Investment properties £
<b>Cost</b>	
At 1 April 2007	2,772,993
Transfer to stock	(1,768,689)
Disposals	(1,004,304)
At 31 March 2008	-

During the year, the directors decided that the remaining investment property was to be sold. As a result, the property above was transferred to stock.

6 Debtors	2008 £	2007 £
Trade debtors	3,554	4,411
Amounts recoverable on long term contracts	-	7,500
Other debtors	-	61,454
	<u>3,554</u>	<u>73,365</u>

7 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	106,592	2,166,922
Net obligations under hire purchase contracts	39,188	21,097
Trade creditors	197,675	317,098
Amounts owed to group undertakings	1,828,676	174,298
Taxation and social security	17,574	102,875
Other creditors	95,296	89,298
	<u>2,285,001</u>	<u>2,871,588</u>

The bank loans and overdraft are secured by a combination of fixed and floating charges over the current and future assets of the company.

The company has provided a guarantee against the indebtedness of Contract House Investments Limited and Blue Skies Construction Limited to the company's bankers.

# CONTRACT HOUSE BUILDERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2008

<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Net obligations under hire purchase contracts	-	32,221
<b>9</b>	<b>Pension costs</b>		
	<b>Defined contribution</b>		
		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Contributions payable by the company for the year	3,600	3,200
<b>10</b>	<b>Share capital</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	100 Ordinary shares of £1 each	100	100
	<b>Allotted, called up and fully paid</b>		
	100 Ordinary shares of £1 each	100	100
<b>11</b>	<b>Statement of movements on profit and loss account</b>		
			<b>Profit and loss account</b>
			<b>£</b>
	Balance at 1 April 2007		305,863
	Dividends paid		(250,000)
	Loss for the year		(454,508)
	Transfer from revaluation reserve to profit and loss account		81,688
	Balance at 31 March 2008		(316,957)

# **CONTRACT HOUSE BUILDERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**for the year ended 31 March 2008**

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### **12 Control**

The ultimate parent company is Contract House Investments Limited, a company registered in England and Wales. This company is controlled by C W J Head and K Head.

The company has taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group financial statements.

### **13 Related party transactions**

The parent company, Contract House Investments Limited, charged the company £30,000 (2007: £30,000) for management charges incurred during the year. In addition, this company sold a number of properties to Contract House Investments Limited during the year for total proceeds of £1,220,000 (being open market value), and also transferred its freehold land and other fixed assets at net book value. The balance due to Contract House Investments Limited at 31 March 2008 was £1,926,478 (2007: £162,514).

The company is under the same common control as Blue Skies Construction Limited, a company registered in England and Wales. The balance due from Blue Skies Construction Limited at 31 March 2008 was £97,802 (2007: £11,784 owed to Blue Skies Construction Limited).