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Kirkham's (Contractors) Limited

Report and Accounts

Year Ended 30 April 2006

Company Reg no: 891888

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Kirkham's (Contractors) Limited

Report and Accounts

Year Ended 30 April 2006

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Kirkham's (Contractors) Limited

Report of the Directors

Year Ended 30 April 2006

The Directors present herewith the audited accounts for the year ended 30 April 2006.

1 Results and Dividends

The net profit for the year was £105390. The Directors recommend that no dividend be paid.

2 Principal Activities and Operational Performance Review

The company's principal activity during the year was contracting work. The Directors consider both the level of business and the financial position of the company at 30 April 2006 to be satisfactory and expect the present level of activity to continue in the current financial year.

3 Business Risk

There are a variety of business risks that can affect a property management company. We routinely manage risks associated with health and safety and we have continued to adopt a detailed review process at all levels of the business to monitor and control business risks. Overall we continue to consider that the policies and monitoring systems which are in place and which have been reviewed throughout the year remain sufficient to effectively manage the risks associated with our business.

4 Directors and Their Interests

The Directors who served during the year and their interests in the shares of the company were as follows:

P.E. Jones (Chairman)

Mrs A. Jones

M.E. Jones

A.E. Jones

The Directors held no beneficial interest in the shares of the company.

Particulars of the beneficial interests of M.E Jones and A.E Jones and the non-beneficial interests of P.E. Jones and Mrs A. Jones in the shares of the Company's holding company appear in the accounts of that company.

5 Statement of Directors' Responsibilities

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 these financial statements the directors are required to:

Kirkham's (Contractors) Limited

Report of the Directors

Year Ended 30 April 2006

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is appropriate 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.

6 Auditors

In accordance with Section 386 of the Companies Act 1985, by an elective resolution of the company, PKF (UK) LLP are deemed re-appointed as auditors for the succeeding year.

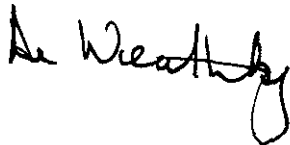
7 Information given to the Auditors

So as far as each of the Directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 2 November 2006 and signed on its behalf.

A. Weatherby
Secretary



Kirkham's (Contractors) Limited

Profit and Loss Account

Year Ended 30 April 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
Turnover	1	5,368,948	2,992,688
Cost of sales		(4,899,246)	(2,723,485)
Gross profit		469,702	269,203
Net operating expenses	2	(319,931)	(178,973)
Profit on ordinary activities before taxation	3	149,771	90,230
Tax on profit on ordinary activities	5	(44,381)	(26,505)
Profit for the financial year after taxation		105,390	63,725
Retained profit brought forward		519,518	455,793
Retained profit carried forward		<u>624,908</u>	<u>519,518</u>

The above figures relate exclusively to continuing operations.

The company has no recognised gains or losses or movements in shareholders' funds other than the profit for the year.

Kirkham's (Contractors) Limited

Balance Sheet

As at 30 April 2006

	<u>Notes</u>	<u>2006</u>		<u>2005</u>	
		£	£	£	£
Fixed Assets					
Intangible assets	6		12,004		12,004
Tangible fixed assets	7		1		1
Current Assets					
Stocks	8	467,093		510,970	
Debtors	9	3,077,015		465,191	
Cash		0		691,973	
		3,544,108		1,668,134	
Creditors: amounts falling due within one year					
	10	2,922,205		1,151,621	
Net Current Assets					
			621,903		516,513
Total Assets less Current Liabilities					
			<u>633,908</u>		<u>528,518</u>
Capital and Reserves					
Called up share capital	11		9,000		9,000
Profit and loss account	12		624,908		519,518
Shareholders' Funds					
			<u>633,908</u>		<u>528,518</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on 2 November 2006

P.E. Jones
Director



Kirkham's (Contractors) Limited

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items considered material to the company's affairs:

Basis of accounting

The accounts are prepared under the historic cost convention and in accordance with applicable accounting standards.

Intangible assets

Ground rents are capitalised at four years' purchase and are not amortised as it is considered that they have an indefinite useful life.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset less its residual value on a straight line basis using a rate of 15%.

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred Taxation

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation. Deferred tax assets are only recognised to the extent that they are prudently considered recoverable.

Kirkham's (Contractors) Limited

Notes to the Accounts

1 Turnover

Turnover comprises invoiced sales for the year.

	<u>2006</u> £	<u>2005</u> £
2 <u>Operating costs</u>		
Administration costs	323,285	182,342
Other operating income	(3,354)	(3,369)
	<u>319,931</u>	<u>178,973</u>
3 <u>Profit on ordinary activities before taxation</u>		
is after charging:		
Depreciation of tangible fixed assets	<u>0</u>	<u>0</u>
and is after crediting:		
Rental income	<u>3,354</u>	<u>3,369</u>
4 <u>Directors' emoluments</u>		
During the year the Directors neither received nor were due to receive any emoluments from the company.		
5 <u>Tax on profit on ordinary activities</u>		
Current year: corporation tax at 30%	950	905
Current year: group relief	43,431	25,641
Prior year: adjustment	0	(41)
	<u>44,381</u>	<u>26,505</u>
Tax reconciliation:		
Profit on ordinary activities before tax	<u>149,771</u>	<u>90,230</u>
Tax on profit on ordinary activities at standard UK corporation tax rate 30%	44,931	27,069
Difference in actual tax rate	(550)	(524)
Prior year: adjustment	0	(40)
Total Taxation	<u>44,381</u>	<u>26,505</u>

Kirkham's (Contractors) Limited

Notes to the Accounts

6 Intangible assets

	£
At 1 May 2005 and 30 April 2006	<u>12,004</u>

Ground rents are valued at four years' purchase and are not amortised.

7 Tangible fixed assets

	Plant and machinery £
<u>Cost</u>	
At 1 May 2005	750
Additions	0
Disposals	0
	<u>750</u>
At 30 April 2006	<u>750</u>
<u>Depreciation</u>	
At 1 May 2005	749
Charge for the year	0
Disposals	0
	<u>749</u>
At 30 April 2006	<u>749</u>
<u>Net Book Value</u>	
As at 30 April 2006	<u>1</u>
As at 30 April 2005	<u>1</u>

2006
£

2005
£

8 Stocks

Land	1,041	1,041
Work in progress	466,052	509,929
	<u>467,093</u>	<u>510,970</u>

Kirkham's (Contractors) Limited

Notes to the Accounts

	<u>2006</u> £	<u>2005</u> £
9 <u>Debtors</u>		
Amounts falling due within one year		
Amounts owed by group undertakings	1,893,246	107,297
Taxation and social security	15,697	0
Trade debtors	1,167,696	357,443
Prepayments and accrued income	376	451
	<hr/>	<hr/>
	<u>3,077,015</u>	<u>465,191</u>

10 **Creditors: amounts falling due within one year**

Trade creditors	32,028	54,394
Amounts owed to group undertakings	1,259,399	941,518
Corporation tax payable	950	905
Bank loans & overdrafts	1,459,427	0
Accruals	167,791	146,765
Taxation and social security	2,610	8,039
	<hr/>	<hr/>
	<u>2,922,205</u>	<u>1,151,621</u>

Bank loans and overdrafts are secured on certain assets of the company.

11 **Called up share capital**

Authorised,
allotted and
fully paid
£

Ordinary shares of £1 each	<u>9,000</u>
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There was no change in share capital during the year.

Kirkham's (Contractors) Limited

Notes to the Accounts

12 Profit and loss account

The movement on the profit and loss account is shown on page 3.

13 Parent undertaking and controlling parties

The company's parent company and controlling party is Orbit Developments (Manchester) Limited, a company incorporated in England.

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff.

14 Related Parties

The company is related to PE Jones (Properties) Limited, Deanbank Investments Limited, Edgewear Properties Limited and Faircity Property Co Limited companies which are subject to common influence. Amounts outstanding with the companies are disclosed in notes 9 and 10.

During the year the company has undertaken construction work amounting to £1,514,671 on normal trading terms

	Turnover (exc VAT) £	Debtors (inc VAT) £
Deanbank Investments Limited	1,135,704	225,134
Fair City Property Company Limited	352,943	352,943
Edge Wear Properties Limited	16,516	594
P.E. Jones (Properties) Limited	9,508	9,508
	<hr/>	<hr/>
	<u>1,514,671</u>	<u>588,179</u>

The company has taken advantage of the exemption conferred on 90% subsidiaries by FRS 8, in relation to transactions with Group companies.

Kirkham's (Contractors) Limited

Independent Auditors' Report to the Members of

Kirkham's (Contractors) Limited

We have audited the financial statements of Kirkhams (Contractors) Limited for the year ended 30 April 2006 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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 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 have been properly prepared in accordance with the Companies Act 1985. We also 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.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

Basis of 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.

Kirkham's (Contractors) Limited

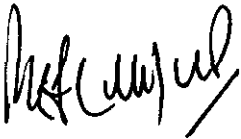
Independent Auditors' Report to the Members of

Kirkham's (Contractors) Limited

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 as at 30 April 2006 and of its profit 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.



PKF (UK) LLP
Registered Auditors
Manchester (UK)
2 November 2006