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RELIABLE CONSTRUCTION LIMITED

DIRECTORS' REPORT & ACCOUNTS

YEAR ENDED 31ST AUGUST, 2007

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RELIABLE CONSTRUCTION LIMITEDREPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts of the company for the year ended 31st August, 2007.

RESULTS & BUSINESS REVIEW

The key financial highlights are as follows:-

	<u>2007</u>	<u>2006</u>
Turnover	£1,373,506 =====	£3,350,727 =====
(Loss)/profit before tax	£(24,055) =====	£153,124 =====
Shareholders' funds	£842,507 =====	£866,005 =====

The directors are actively engaged in seeking new opportunities for profitable work to replace contracts recently come to a conclusion and they are confident that this will be forthcoming.

The directors believe that the principal risk faced by the company is its reliance on work from a limited number of customers. They aim to address this risk by using the company's reputation of providing the highest possible level of service to obtain work from new customers and so to diversify the customer base.

Adequate finance is retained within the company to enable it to take advantage of business opportunities as they arise.

DIVIDENDS

The directors do not recommend the payment of a final dividend.

PRINCIPAL ACTIVITY

The principal activity of the company during the year continued to be that of building and civil engineering contractors.

DIRECTORS

The directors who have served during the year were:-

J.G. Murphy
W.F. Hanley
R.H. Platt
S.P. McGee
J.P. Lynch
K.T. Tims (Appointed 18th February, 2008)

The directors had no interests in the company's shares.

RELIABLE CONSTRUCTION LIMITEDREPORT OF THE DIRECTORSDIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report 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). 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:-

- (i) Select suitable accounting policies and apply them consistently.
- (ii) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- (iii) Make judgements and estimates that are reasonable and prudent.
- (iv) 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 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.

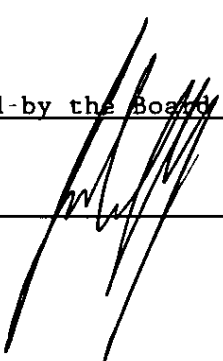
STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

RELIABLE CONSTRUCTION LIMITEDREPORT OF THE DIRECTORSAUDITORS

A resolution in accordance with Section 385, Companies Act 1985, for the re-appointment of Newton & Garner as auditors of the company is to be proposed at the forthcoming annual general meeting.

 Approved by the Board on 10th MARCH 2008 and signed on its behalf

- CHAIRMAN

RELIABLE CONSTRUCTION LIMITEDNO. OF COMPANY - 1375005YEAR ENDED 31ST AUGUST, 2007INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RELIABLE CONSTRUCTION LIMITED

We have audited the financial statements of Reliable Construction Limited for the year ended 31st August, 2007 which comprise the Profit & Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with 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 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 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 if, 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.

RELIABLE CONSTRUCTION LIMITEDNO. OF COMPANY - 1375005YEAR ENDED 31ST AUGUST, 2007INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RELIABLE CONSTRUCTION LIMITEDBasis of audit opinion

We conducted our audit in accordance with the 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 mis-statement, 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 31st August, 2007 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

The information given in the Directors' Report is consistent with the financial statements.

APEX HOUSE,
GRAND ARCADE,
NORTH FINCHLEY,
LONDON. N12 0EJ.

Newton & Garner

NEWTON & GARNER
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
DATE: 10th MARCH 2008

RELIABLE CONSTRUCTION LIMITEDPROFIT AND LOSS ACCOUNTYEAR ENDED 31ST AUGUST, 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
<u>TURNOVER</u>	2	1,373,506	3,350,727
Cost of sales		1,152,117	2,913,272
		-----	-----
<u>GROSS PROFIT</u>		221,389	437,455
Administration expenses		258,611	277,937
		-----	-----
<u>OPERATING (LOSS)/PROFIT</u>	3	(37,222)	159,518
Other interest receivable and similar income	4	13,167	558
		-----	-----
		(24,055)	160,076
Interest payable and similar charges	5	-	6,952
		-----	-----
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(24,055)	153,124
Taxation on (loss)/profit on ordinary activities	8	(557)	64,158
		-----	-----
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES FOR THE YEAR</u>		£(23,498)	£88,966
		=====	=====

NOTES

1. All operations of the company during the current and preceding period are continuing operations.
2. There are no gains or losses recognised which are attributable to shareholders and which are not included in the profit and loss account.

RELIABLE CONSTRUCTION LIMITEDBALANCE SHEETAT 31ST AUGUST, 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
<u>FIXED ASSETS</u>			
Tangible assets	9	21,811	33,976
<u>CURRENT ASSETS</u>			
Stocks	10	10,326	8,278
Debtors	11	911,356	996,076
Cash at bank and in hand		192,360	205,156
		-----	-----
		1,114,042	1,209,510
<u>CREDITORS</u>			
Amounts falling due within one year	12	293,346	376,924
		-----	-----
<u>NET CURRENT ASSETS</u>		820,696	832,586
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		842,507	866,562
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Deferred taxation	13	-	557
		-----	-----
		£842,507	£866,005
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	14	50,000	50,000
Profit and loss account	15	792,507	816,005
		-----	-----
		£842,507	£866,005
		=====	=====

Approved by the Board on 10th MARCH 2008 and signed on its behalf

)
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) DIRECTORS

RELIABLE CONSTRUCTION LIMITED**NOTES TO THE ACCOUNTS****1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the company's accounts:-

Basis of accounting

The accounts have been prepared under the historical cost convention.

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).

Depreciation

Depreciation of tangible fixed assets is calculated to write off the cost of the assets over their estimated useful lives as follows:-

Plant & transport	-	25% - 33%	reducing balance & straight line basis
Fixtures & fittings	-	15% - 25%	" " "

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year. Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts and tax purposes. Tax deferred is accounted for in respect of all material timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and its results and cash flows are included in the publicly available consolidated financial statements.

2. TURNOVER

Turnover represents construction work executed during the year, excluding value added tax.

RELIABLE CONSTRUCTION LIMITEDNOTES TO THE ACCOUNTS200720063. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:-

Directors' remuneration (note 6)	116,536	106,837
Depreciation:		
Owned by the company	8,101	12,693
Auditors' remuneration:		
Amount for audit	2,500	2,500
Operating lease rentals:		
Hire of plant & transport	36,131	85,154
	=====	=====

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest received	12,570	-
- Tax repayment supplement	597	558
	-----	---
	£13,167	£558
	=====	=====

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest paid on loan from parent undertaking	-	£6,952
	=====	=====

6. DIRECTORS' REMUNERATION

Directors' remuneration is made up as follows:-

Managerial remuneration	96,320	87,044
Pension contributions	6,636	6,216
Benefits in kind	13,580	13,577
	-----	-----
	£116,536	£106,837
	=====	=====

RELIABLE CONSTRUCTION LIMITEDNOTES TO THE ACCOUNTS20072006**7. EMPLOYEES**

The average number of employees during the year was 14 (2006 - 28) made up as follows:-

Management	3	3
Production	9	23
Administration	2	2
	---	--
	14	28
	===	==

Staff costs are analysed as follows:-

Wages & salaries	277,773	628,333
Social security costs	39,369	64,977
Pension contributions	8,105	7,278
	-----	-----
	£325,247	£700,588
	=====	=====

8. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**(a) Analysis of charge for period:****Current tax:**

Group relief	-	46,767
UK Corporation tax on (loss)/profit for the year at 0% (2006 - 0%)	-	-
Adjustment in respect of previous periods	-	18,222
	-----	-----
	-	64,989

Deferred tax:

Origination and reversal of timing differences	(557)	(831)
	-----	-----
<u>Tax on (loss)/profit on ordinary activities</u>	£(557)	£64,158
	=====	=====

(b) Factors affecting tax charge for period:

(Loss)/profit on ordinary activities before tax	£(24,055)	£153,124
	=====	=====
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2006 - 30%)	(7,217)	45,936

Effects of:-

Losses unused carried forward	6,689	-
Capital allowances in excess of depreciation	528	831
Adjustment in respect of previous periods	-	18,222
	-----	-----
<u>Current tax charge/(credit) for period (note 8a)</u>	-	£64,989
	=====	=====

RELIABLE CONSTRUCTION LIMITEDNOTES TO THE ACCOUNTS**9. TANGIBLE FIXED ASSETS**

<u>COST OR VALUATION</u>	<u>2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>2007</u>
Plant & transport	209,783	-	25,159	184,624
Fixtures & fittings	11,418	-	-	11,418
	-----	-----	-----	-----
	£221,201	-	£25,159	£196,042
	=====	=====	=====	=====

<u>ACCUMULATED DEPRECIATION</u>	<u>2006</u>	<u>Charge for year</u>	<u>Disposals</u>	<u>2007</u>
Plant & transport	177,688	7,399	21,095	163,992
Fixtures & fittings	9,537	702	-	10,239
	-----	-----	-----	-----
	£187,225	£8,101	£21,095	£174,231
	=====	=====	=====	=====

<u>NET BOOK VALUE</u>	<u>2006</u>			<u>2007</u>
Plant & transport	32,095			20,632
Fixtures & fittings	1,881			1,179
	-----			-----
	£33,976			£21,811
	=====			=====

2007 2006

10. STOCKS

Raw materials & consumables	£10,326	£8,278
	=====	=====

11. DEBTORS

Trade debtors	383,585	341,405
Other debtors	8,845	15,633
Amounts owed by group companies	518,926	639,038
	-----	-----
	£911,356	£996,076
	=====	=====

All debtors fall due within one year.

RELIABLE CONSTRUCTION LIMITEDNOTES TO THE ACCOUNTS

	<u>2007</u>	<u>2006</u>
12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank overdraft	-	80,134
Trade creditors	113,521	137,895
Taxation & social security	57,457	48,283
Other creditors	9,112	2,328
Accruals	9,660	5,318
Amounts owed to group companies	103,596	102,966
	-----	-----
	£293,346	£376,924
	=====	=====
13. PROVISIONS FOR LIABILITIES AND CHARGES		
<u>Deferred taxation</u>		
Balance at 1st September, 2006	557	1,388
Profit and loss account	(557)	(831)
	---	---
<u>Balance at 31st August, 2007</u>	-	£557
	===	=====
<u>Provision is made for the full potential liability for deferred tax as follows:-</u>		
Accelerated capital allowances	-	£557
	===	=====
14. SHARE CAPITAL		
<u>Authorised, issued and fully paid</u>		
50,000 Ordinary shares of £1 each	£50,000	£50,000
	=====	=====
15. PROFIT AND LOSS ACCOUNT		
Balance at 1st September, 2006	816,005	727,039
Retained (loss)/profit for the year	(23,498)	88,966
	-----	-----
<u>Balance at 31st August, 2007</u>	£792,507	£816,005
	=====	=====

RELIABLE CONSTRUCTION LIMITEDNOTES TO THE ACCOUNTS

	<u>2007</u>	<u>2006</u>
16. <u>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</u>		
Retained (loss)/profit for the year	(23,498)	88,966
Opening shareholders' funds	866,005	777,039
	-----	-----
<u>Closing shareholders' funds</u>	<u>£842,507</u>	<u>£866,005</u>
	=====	=====

17. PENSION SCHEME

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounts to £8,105 (2006 - £7,278).

18. ULTIMATE HOLDING COMPANY

The directors regard Greenane Ltd., incorporated in the Isle of Man as the company's ultimate holding company. In the opinion of the directors, there is no controlling party of Greenane Ltd. The parent company of the largest group for which consolidated accounts are prepared is Bandon Holdings Ltd., a company registered in England.

19. RELATED PARTY TRANSACTIONS

The only transactions with related parties during the period are with companies who are fellow members of the Bandon Holdings Group of Companies.

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 and has not disclosed details of transactions with these fellow group companies.

Balances with group companies at 31st August, 2007 are disclosed in notes 11 & 12 to the accounts.