

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

FOR

ELLAND STEEL STRUCTURES LIMITED

WEDNESDAY



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ELLAND STEEL STRUCTURES LIMITED

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for the Year Ended 30 June 2006

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ELLAND STEEL STRUCTURES LIMITED

COMPANY INFORMATION
for the Year Ended 30 June 2006

DIRECTORS:

K Denham
D M Denham
R F Thorpe
B Walker
M Denham
J L Shorrocks

SECRETARY:

C Denham

REGISTERED OFFICE:

Philmar House
Gibbet Street
Halifax
West Yorkshire
HX2 0AR

REGISTERED NUMBER:

1627352

AUDITORS:

Cresswell Crabtree & Sons
Chartered Accountants
Registered Auditors
Barclays Bank Chambers
Hebden Bridge
West Yorkshire
HX7 6AA

ELLAND STEEL STRUCTURES LIMITED

REPORT OF THE DIRECTORS **for the Year Ended 30 June 2006**

The directors present their report with the financial statements of the company for the year ended 30 June 2006.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a leading provider of steel framed buildings and has developed working relationships with numerous major contractors in the construction industry. A wide range of projects have been completed with specialisation in hospitals, schools and supermarkets.

DEVELOPMENT AND PERFORMANCE

Expansion has continued and a profit before tax has been achieved in the year of £1,548,998 and retained profits of £1,084,334. This has achieved a further strengthening of our balance sheet; net current assets have increased notwithstanding capital expenditure of £1,036,426.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2006.

STRATEGY AND FUTURE OUTLOOK

An investment programme has commenced to extend, reorganise and install state of the art plant and fabrication equipment in its Halifax headquarters which is on target to be completed in early 2007. The investment will achieve additional operating space to further increase the efficiency and quality of the company's end products.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

The directors consider that the market value of land and buildings is not less than the book value of £1,463,407.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company has no exposure to any financial derivatives. Individual contracts are entered into on fixed terms and limited periods. The company negotiates fixed price terms with its suppliers to limit its exposure to price increases.

The company insures its debts to limit financial exposure to bad debts. The directors consider that liquid cash resources are sufficient to cover the company's immediate needs and medium term objectives.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 July 2005 to the date of this report.

The beneficial interests of the directors holding office at 30 June 2006 in the shares of the company, according to the register of directors' interests, were as follows

	30.6.06	1.7.05
Ordinary shares of £1 each		
K Denham	18,750	18,750
D M Denham	3,750	3,750
R F Thorpe	1,250	2,500
B Walker	-	-
M Denham	-	-
J L Shorrocks	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

ELLAND STEEL STRUCTURES LIMITED

REPORT OF THE DIRECTORS

for the Year Ended 30 June 2006

CHARITABLE DONATIONS

The company made charitable donations totalling £357.

PURCHASE OF OWN SHARES

On 22 December 2005 the company purchased a total of 1,250 ordinary shares of £1 each in the capital of the company, for a total consideration of £180,000. At the time when the duly approved purchase contract was signed by both parties, the shares being purchased represented 5% of the called up share capital. The shares were purchased in order to enable the holder to realise his investment in the company.

STATEMENT OF 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 these 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cresswell Crabtree & Sons, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



C Denham - Secretary

Date: 5th FEBRUARY 2007

REPORT OF THE INDEPENDENT AUDITORS TO
ELLAND STEEL STRUCTURES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages five to fifteen, together with the financial statements of Elland Steel Structures Limited for the year ended 30 June 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

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 have been 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 have been properly prepared in accordance with that provision.

Cresswell Crabtree & Sons
Chartered Accountants
Registered Auditors
Barclays Bank Chambers
Hebden Bridge
West Yorkshire
HX7 6AA



Date: 5 February 2007.....

ELLAND STEEL STRUCTURES LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**
for the Year Ended 30 June 2006

	Notes	2006 £	2005 £
GROSS PROFIT		4,040,732	3,519,756
Administrative expenses		2,713,643	2,174,251
OPERATING PROFIT	3	1,327,089	1,345,505
Interest receivable and similar income	4	221,909	140,216
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,548,998	1,485,721
Tax on profit on ordinary activities	5	464,664	447,363
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,084,334	1,038,358

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

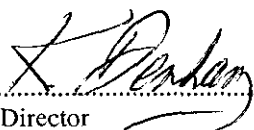
The company has no recognised gains or losses other than the profits for the current year or previous year.

ELLAND STEEL STRUCTURES LIMITED**ABBREVIATED BALANCE SHEET****30 June 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	2,070,192	1,144,470
CURRENT ASSETS			
Stocks	7	6,736	6,692
Debtors	8	3,915,463	2,785,563
Cash at bank and in hand		5,363,763	5,498,616
		9,285,962	8,290,871
CREDITORS			
Amounts falling due within one year	9	5,076,834	4,090,147
NET CURRENT ASSETS		4,209,128	4,200,724
TOTAL ASSETS LESS CURRENT LIABILITIES		6,279,320	5,345,194
PROVISIONS FOR LIABILITIES	11	105,352	75,560
NET ASSETS		6,173,968	5,269,634
CAPITAL AND RESERVES			
Called up share capital	12	23,750	25,000
Other reserves	13	1,250	-
Profit and loss account	13	6,148,968	5,244,634
SHAREHOLDERS' FUNDS	19	6,173,968	5,269,634

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 of Directors on 5th FEBRUARY 2007 and were signed on its behalf by:


K Denham - Director

The notes form part of these abbreviated accounts

ELLAND STEEL STRUCTURES LIMITED**CASH FLOW STATEMENT**
for the Year Ended 30 June 2006

	Notes	2006 £	2005 £
Net cash inflow from operating activities	1	1,300,597	2,666,852
Returns on investments and servicing of finance	2	221,909	140,216
Taxation		(440,933)	(178,735)
Capital expenditure	2	(1,036,426)	(106,140)
		45,147	2,522,193
Financing	2	(180,000)	-
(Decrease)/Increase in cash in the period		<u>(134,853)</u>	<u>2,522,193</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(134,853)</u>	<u>2,522,193</u>
Change in net funds resulting from cash flows		<u>(134,853)</u>	<u>2,522,193</u>
Movement in net funds in the period		(134,853)	2,522,193
Net funds at 1 July		<u>5,498,616</u>	<u>2,976,423</u>
Net funds at 30 June		<u>5,363,763</u>	<u>5,498,616</u>

The notes form part of these abbreviated accounts

ELLAND STEEL STRUCTURES LIMITED**NOTES TO THE CASH FLOW STATEMENT**
for the Year Ended 30 June 2006**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2006	2005
	£	£
Operating profit	1,327,089	1,345,505
Depreciation charges	112,975	126,470
Profit on disposal of fixed assets	(2,271)	(6,589)
(Increase)/Decrease in stocks	(44)	718,187
(Increase)/Decrease in debtors	(1,129,900)	83,864
Increase in creditors	992,748	399,415
Net cash inflow from operating activities	1,300,597	2,666,852

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	221,909	140,216
Net cash inflow for returns on investments and servicing of finance	221,909	140,216
Capital expenditure		
Purchase of tangible fixed assets	(1,041,176)	(120,670)
Sale of tangible fixed assets	4,750	14,530
Net cash outflow for capital expenditure	(1,036,426)	(106,140)
Financing		
Purchase own shares	(180,000)	-
Net cash outflow from financing	(180,000)	-

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.05	Cash flow	At
	£	£	30.6.06
			£
Net cash:			
Cash at bank and in hand	5,498,616	(134,853)	5,363,763
	5,498,616	(134,853)	5,363,763
Total	5,498,616	(134,853)	5,363,763

ELLAND STEEL STRUCTURES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **for the Year Ended 30 June 2006**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

The company accounts for income based on applications for work done, excluding value added tax.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

Depreciation on Freehold Buildings is not provided until the building is complete and in use.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income as incurred.

Pensions

The company operates a defined contribution scheme for certain of its employees. The contributions are charged to profit and loss account in the year in which they are incurred.

2. STAFF COSTS

	2006	2005
	£	£
Wages and salaries	2,952,700	2,655,144
Social security costs	335,555	293,579
Other pension costs	463,759	90,764
	<u>3,752,014</u>	<u>3,039,487</u>

ELLAND STEEL STRUCTURES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued**
for the Year Ended 30 June 2006**2. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	2006	2005
Office and management	47	44
Manufacturing	44	46
	<u>91</u>	<u>90</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Other operating leases	9,544	7,650
Depreciation - owned assets	112,976	126,470
Profit on disposal of fixed assets	(2,271)	(6,589)
Auditors' remuneration	17,754	11,340
Hire of assets	36,833	132,160
	<u>1,292,272</u>	<u>1,087,516</u>
Directors' emoluments	386,122	34,817
Directors' pension contributions to money purchase schemes	<u>386,122</u>	<u>34,817</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>6</u>	<u>6</u>
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Information regarding the highest paid director is as follows:

	2006	2005
	£	£
Emoluments etc	459,559	460,623
Pension contributions to money purchase schemes	<u>237,998</u>	<u>18,058</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006	2005
	£	£
Deposit account interest	221,858	140,197
Interest on corporation tax	51	19
	<u>221,909</u>	<u>140,216</u>

ELLAND STEEL STRUCTURES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued**
for the Year Ended 30 June 2006**5. TAXATION****Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2006 £	2005 £
Current tax:		
UK corporation tax	434,872	440,933
Income Tax on commuted pension payment	-	4,151
Total current tax	434,872	445,084
Deferred tax	29,792	2,279
Tax on profit on ordinary activities	464,664	447,363

UK corporation tax has been charged at 30%

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	1,548,998	1,485,721
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	464,699	445,716
Effects of:		
Marginal relief	(1,271)	(761)
Expenses not deductible	1,234	(1,743)
Depreciation in excess of capital allowances	(29,759)	(1,131)
Timing difference	(31)	(1,148)
Income Tax on commuted pension payment	-	4,151
Current tax charge	434,872	445,084

ELLAND STEEL STRUCTURES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the Year Ended 30 June 2006****6. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2005	848,501	868,869	143,871
Additions	704,781	285,862	-
At 30 June 2006	1,553,282	1,154,731	143,871
DEPRECIATION			
At 1 July 2005	82,841	693,809	111,700
Charge for year	7,034	44,282	7,617
At 30 June 2006	89,875	738,091	119,317
NET BOOK VALUE			
At 30 June 2006	1,463,407	416,640	24,554
At 30 June 2005	765,660	175,060	32,171
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2005	234,115	181,606	2,276,962
Additions	28,758	21,775	1,041,176
Disposals	(13,520)	-	(13,520)
At 30 June 2006	249,353	203,381	3,304,618
DEPRECIATION			
At 1 July 2005	104,454	139,687	1,132,491
Charge for year	40,818	13,225	112,976
Eliminated on disposal	(11,041)	-	(11,041)
At 30 June 2006	134,231	152,912	1,234,426
NET BOOK VALUE			
At 30 June 2006	115,122	50,469	2,070,192
At 30 June 2005	129,661	41,919	1,144,471

Included in cost of land and buildings is freehold land of £222,000 (2005 - £122,000) which is not depreciated.

The net book value of land and buildings comprises:

	2006 £	2005 £
Freehold	1,463,407	765,660

ELLAND STEEL STRUCTURES LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the Year Ended 30 June 2006****7. STOCKS**

	2006	2005
	£	£
Raw materials and consumables	<u>6,736</u>	<u>6,692</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	3,591,411	1,862,766
Prepayments and accrued income	<u>324,052</u>	<u>922,797</u>
	<u>3,915,463</u>	<u>2,785,563</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	3,949,796	2,157,864
Tax	434,872	440,933
Social security and other taxes	140,974	185,131
VAT	7,486	485,434
Directors remuneration unpaid	412,500	757,500
Accrued expenses	<u>131,206</u>	<u>63,285</u>
	<u>5,076,834</u>	<u>4,090,147</u>

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2006	2005
	£	£
Expiring:		
Within one year	10,000	-
Between one and five years	-	7,650
	<u>10,000</u>	<u>7,650</u>

11. PROVISIONS FOR LIABILITIES

	2006	2005
	£	£
Deferred tax		
Accelerated capital allowances	105,412	75,651
Other timing differences	<u>(60)</u>	<u>(91)</u>
	<u>105,352</u>	<u>75,560</u>

ELLAND STEEL STRUCTURES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued **for the Year Ended 30 June 2006**

11. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 July 2005	75,560
Profit and loss account	29,792
Balance at 30 June 2006	<u>105,352</u>

12. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2006 £	2005 £
Number:	Class:	£1		
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		Nominal value:	2006 £	2005 £
Number:	Class:	£1		
23,750 (2005 - 25,000)	Ordinary		<u>23,750</u>	<u>25,000</u>

On 22 December 2005 the company purchased 1,250 of its own £1 ordinary shares for a consideration of £180,000.

13. RESERVES

	Profit and loss account £	Other reserves £	Totals £
At 1 July 2005	5,244,634	-	5,244,634
Profit for the year	1,084,334		1,084,334
Purchase of own shares	(180,000)	1,250	(178,750)
At 30 June 2006	<u>6,148,968</u>	<u>1,250</u>	<u>6,150,218</u>

14. PENSION COMMITMENTS

The company operates a defined contribution 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 amounted to £463,759 (2005 £90,764). At the 30 June 2006 contributions amounting to £200 (2005 £304) were payable to the fund and included in creditors.

15. CONTINGENT LIABILITIES

The company's bankers hold performance bonds to the value of £105,971 (2005 £92,158) and retention bonds to the value of £808,795 (2005 £673,746) in respect of projects not completed at the year end.

In respect of facilities granted the company's bankers hold a first legal mortgage on freehold land and buildings with a net book value of £457,513 (2005 £461,998) along with a floating charge over the whole undertaking, including a first charge on book debts.

ELLAND STEEL STRUCTURES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued for the Year Ended 30 June 2006

16. CAPITAL COMMITMENTS

	2006 £	2005 £
Contracted but not provided for in the financial statements	525,000	-

17. RELATED PARTY DISCLOSURES

Throughout this and the previous year the company was under the control of Mr K Denham who owns the majority of the company's issued share capital.

18. POST BALANCE SHEET EVENTS

On 22 August 2006 the company purchased a total of 1,250 ordinary shares of £1 each in the capital of the company, for a total consideration of £180,000 from Mr R F Thorpe, in order that he can realise his investment in the company.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	1,084,334	1,038,358
Purchase of own shares	(180,000)	-
Net addition to shareholders' funds	904,334	1,038,358
Opening shareholders' funds	5,269,634	4,231,276
Closing shareholders' funds	6,173,968	5,269,634
Equity interests	6,173,968	5,269,634