

10 AUG 2011

A & H CONSTRUCTION & DEVELOPMENTS PLC
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

Michael Duffy Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

FRIDAY



AHZK4WT3

A46

19/08/2011

2

COMPANIES HOUSE

A & H CONSTRUCTION & DEVELOPMENTS PLC

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 30 April 2011**

| | Page |
|--|-------------|
| Company Information | 1 |
| Report of the Directors | 2 |
| Report of the Independent Auditors | 4 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 |
| Trading and Profit and Loss Account | 13 |

A & H CONSTRUCTION & DEVELOPMENTS PLC

COMPANY INFORMATION
for the Year Ended 30 April 2011

DIRECTORS:

B A Adams
S J Cutler
R J Mottram
M Head

SECRETARY:

Mrs S A Garbett

REGISTERED OFFICE:

61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

REGISTERED NUMBER:

2580900 (England and Wales)

AUDITORS:

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

A & H CONSTRUCTION & DEVELOPMENTS PLC

REPORT OF THE DIRECTORS for the Year Ended 30 April 2011

The directors present their report with the financial statements of the company for the year ended 30 April 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building and maintenance work

REVIEW OF BUSINESS

Financial results

Turnover for the year to 30 April 2011 increased by 119% to £34,745,537 (2010 - £15,831,467), however gross profit has decreased from 12.37% in 2010 to 10.67% in 2011. The company's profit on ordinary activities before taxation was £2,134,655 (2010 - £475,164)

Employees

The company is fortunate to have a dedicated and loyal work force whose continuing support and hard work has once again helped to strengthen the business

Strategic priorities

The board and management of A & H Construction & Developments Plc are committed to continue to deliver the reliable, responsible performance which the company has enjoyed over recent years

Outlook

The company currently has a good order book despite operating in a difficult market. The board are clear about the priorities required for continued development of the business in both the medium and long term and have the proven management capability to deliver

DIVIDENDS

An interim dividend of £24 per share on the ordinary £1 shares was paid on 30 April 2011. The directors recommend that no final dividend be paid on these shares

An interim dividend of £20 per share on the A preference £1 shares was paid on 19 May 2010. A further interim dividend of £1.35 per share on the A preference shares was paid on 28 March 2011. The directors recommend that no final dividend be paid on these shares

No dividends were paid on the B preference £1 shares during the year. The directors recommend that no final dividend be paid on these shares

The total distribution of dividends for the year ended 30 April 2011 was £1,221,350

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2010 to the date of this report

B A Adams
S J Cutler
R J Mottram
M Head

The director B A Adams has a 100% shareholding in the holding company A & H Construction & Developments (Holdings) Limited

PAYMENTS TO SUPPLIERS

It is the policy of the company to agree with suppliers the best available terms taking account of quality, delivery, price and period of settlement and to abide by those terms

The total amount of trade creditors falling due within one year at 30 April 2011 was equivalent to 70 days purchases (2010 - 87 days)

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations of £5,215 were made during the year (2010 - £2,550)

A & H CONSTRUCTION & DEVELOPMENTS PLC

REPORT OF THE DIRECTORS for the Year Ended 30 April 2011

PRINCIPAL RISKS AND UNCERTAINTIES

The directors recognise that, alongside the rewards generated by a trading organisation for its stakeholders, there are also risks and uncertainties. The company is dependent upon the efficiency of its employees in satisfying the needs of its customers and in the identification and consequent reduction of contractual risks in the work undertaken. The directors have developed a system of reviews and controls which monitor and deal with such risks.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Michael Duffy Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S A Garbett

Mrs S A Garbett - Secretary

2 August 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
A & H CONSTRUCTION & DEVELOPMENTS PLC**

We have audited the financial statements of A & H Construction & Developments Plc for the year ended 30 April 2011 on pages five to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stephen Ward FCCA (Senior Statutory Auditor)
for and on behalf of Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

2 August 2011

A & H CONSTRUCTION & DEVELOPMENTS PLC

**PROFIT AND LOSS ACCOUNT
for the Year Ended 30 April 2011**

| | Notes | 2011 £ | £ | 2010 £ | £ |
|--|-------|-----------|------------|-----------|------------|
| TURNOVER | | | 34,745,537 | | 15,831,467 |
| Cost of sales | | | 31,038,320 | | 13,873,168 |
| GROSS PROFIT | | | 3,707,217 | | 1,958,299 |
| Administrative expenses | | | 1,572,757 | | 1,488,598 |
| | | | 2,134,460 | | 469,701 |
| Other operating income | | | 10,000 | | 10,000 |
| OPERATING PROFIT | 3 | | 2,144,460 | | 479,701 |
| Income from fixed asset investments | | 1,326 | | 1,557 | |
| Interest receivable and similar income | | (11,131) | | 6,333 | |
| | | | (9,805) | | 7,890 |
| | | | 2,134,655 | | 487,591 |
| Interest payable and similar charges | 4 | | - | | 12,427 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | | 2,134,655 | | 475,164 |
| Tax on profit on ordinary activities | 5 | | 585,629 | | 139,376 |
| PROFIT FOR THE FINANCIAL YEAR | | | 1,549,026 | | 335,788 |

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

The notes form part of these financial statements

A & H CONSTRUCTION & DEVELOPMENTS PLC

BALANCE SHEET
30 April 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 251,128 | 253,433 |
| CURRENT ASSETS | | | |
| Stocks | 8 | 320,651 | 116,549 |
| Debtors | 9 | 7,123,720 | 3,927,877 |
| Investments | 10 | 92,672 | 105,935 |
| Cash at bank and in hand | | 2,799,760 | 2,845,460 |
| | | <u>10,336,803</u> | <u>6,995,821</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | <u>7,346,242</u> | <u>4,335,241</u> |
| NET CURRENT ASSETS | | <u>2,990,561</u> | <u>2,660,580</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>3,241,689</u></u> | <u><u>2,914,013</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 52,000 | 52,000 |
| Profit and loss account | 14 | <u>3,189,689</u> | <u>2,862,013</u> |
| SHAREHOLDERS' FUNDS | 17 | <u><u>3,241,689</u></u> | <u><u>2,914,013</u></u> |

The financial statements were approved by the Board of Directors on 2 August 2011 and were signed on its behalf by



B A Adams - Director

The notes form part of these financial statements

A & H CONSTRUCTION & DEVELOPMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 April 2011

1 ACCOUNTING POLICIES

Accounting convention

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

Tangible fixed assets

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

| | |
|-----------------------|---------------|
| Plant and machinery | - 25% on cost |
| Fixtures and fittings | - 25% on cost |
| Motor vehicles | - 25% on cost |

Stocks

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

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Turnover and revenue recognition

Turnover comprises the fair value of the consideration received or receivable, net of value added tax

Turnover is recognised as follows

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately

2 STAFF COSTS

| | 2011 £ | 2010 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,962,946 | 1,741,615 |
| Social security costs | 224,237 | 181,748 |
| Other pension costs | 41,681 | 40,020 |
| | <u>2,228,864</u> | <u>1,963,383</u> |

A & H CONSTRUCTION & DEVELOPMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2011

2 STAFF COSTS - continued

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

| | 2011 | 2010 |
|-----------------------|-----------|-----------|
| Production staff | 30 | 23 |
| Office and management | 25 | 29 |
| | <u>55</u> | <u>52</u> |

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

| | 2011 £ | 2010 £ |
|---------------------------------------|-----------|-----------|
| Plant hire | 755,392 | 431,151 |
| Other operating leases | 6,101 | 5,441 |
| Depreciation - owned assets | 146,308 | 144,723 |
| Profit on disposal of fixed assets | (13,000) | (9,984) |
| Auditors' remuneration | 16,500 | 16,500 |
| Operating leases - land and buildings | 13,000 | 13,000 |
| Auditors remuneration non-audit | 6,690 | 2,285 |

| | | |
|-------------------------|----------------|----------------|
| Directors' remuneration | <u>357,268</u> | <u>332,351</u> |
|-------------------------|----------------|----------------|

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

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>3</u> | <u>3</u> |
|------------------------|----------|----------|

Information regarding the highest paid director is as follows

| | 2011 £ | 2010 £ |
|----------------|----------------|----------------|
| Emoluments etc | <u>122,600</u> | <u>102,600</u> |

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2011 £ | 2010 £ |
|----------------------|-----------|---------------|
| Interest on late tax | <u>-</u> | <u>12,427</u> |

A & H CONSTRUCTION & DEVELOPMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2011

5 TAXATION

Analysis of the tax charge

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

| | 2011 £ | 2010 £ |
|--------------------------------------|----------------|----------------|
| Current tax | | |
| UK corporation tax | 585,629 | 112,827 |
| Group relief | - | 25,024 |
| Prior year adjustment | - | 1,525 |
| | <u>585,629</u> | <u>139,376</u> |
| Tax on profit on ordinary activities | <u>585,629</u> | <u>139,376</u> |

UK corporation tax was charged at 28% in 2010

Factors affecting the tax charge

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

| | 2011 £ | 2010 £ |
|--|------------------|----------------|
| Profit on ordinary activities before tax | <u>2,134,655</u> | <u>475,164</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%) | 555,010 | 133,046 |
| Effects of | | |
| Non allowable expenditures | 5,129 | 375 |
| Capital allowances in deficit/(in excess) of depreciation | (12,784) | 4,430 |
| Adjustments to previous periods | - | 1,525 |
| Franked investment income | (345) | - |
| Corporation tax charged at different rates | 38,619 | - |
| Current tax charge | <u>585,629</u> | <u>139,376</u> |

6 DIVIDENDS

| | 2011 £ | 2010 £ |
|--------------------------------|------------------|----------------|
| Ordinary shares of £1 each | | |
| Interim - ordinary shares | 1,200,000 | 300,000 |
| A Preference shares of £1 each | | |
| Interim - A preference shares | 21,350 | 2,550 |
| B Preference shares of £1 each | | |
| Interim - B preference shares | - | 10,000 |
| | <u>1,221,350</u> | <u>312,550</u> |

A & H CONSTRUCTION & DEVELOPMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2011

7 TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|-----------------------------|----------------------------------|------------------------|------------------|
| COST | | | | |
| At 1 May 2010 | 237,446 | 264,570 | 606,716 | 1,108,732 |
| Additions | 56,525 | 8,802 | 78,674 | 144,001 |
| Disposals | (38,657) | - | (44,307) | (82,964) |
| At 30 April 2011 | <u>255,314</u> | <u>273,372</u> | <u>641,083</u> | <u>1,169,769</u> |
| DEPRECIATION | | | | |
| At 1 May 2010 | 195,939 | 252,555 | 406,803 | 855,297 |
| Charge for year | 27,769 | 11,761 | 106,778 | 146,308 |
| Eliminated on disposal | (38,657) | - | (44,307) | (82,964) |
| At 30 April 2011 | <u>185,051</u> | <u>264,316</u> | <u>469,274</u> | <u>918,641</u> |
| NET BOOK VALUE | | | | |
| At 30 April 2011 | <u>70,263</u> | <u>9,056</u> | <u>171,809</u> | <u>251,128</u> |
| At 30 April 2010 | <u>41,507</u> | <u>12,015</u> | <u>199,913</u> | <u>253,435</u> |

8 STOCKS

| | 2011 £ | 2010 £ |
|-----------------------------------|----------------|----------------|
| Net costs less foreseeable losses | <u>320,651</u> | <u>116,549</u> |

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 £ | 2010 £ |
|---------------------------------|------------------|------------------|
| Amounts recoverable on contract | 4,975,606 | 2,943,142 |
| Other debtors | 10,000 | 10,500 |
| Owed by group undertakings | 1,055,651 | 48,299 |
| Owed by related parties | 924,801 | 715,533 |
| Corporation tax recoverable | - | 67,022 |
| Prepayments | 157,662 | 143,381 |
| | <u>7,123,720</u> | <u>3,927,877</u> |

10 CURRENT ASSET INVESTMENTS

| | 2011 £ | 2010 £ |
|--------------------|---------------|----------------|
| Listed investments | <u>92,672</u> | <u>105,935</u> |

Market value of listed investments at 30 April 2011 - £115,469 (2010 - £130,541)

A & H CONSTRUCTION & DEVELOPMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 April 2011

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 | 2010 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 5,755,050 | 3,081,630 |
| Corporation tax | 185,798 | - |
| Group relief payable | - | 25,024 |
| Social security and other taxes | 220,138 | 264,628 |
| Directors' current accounts | 1,132,039 | 921,198 |
| Accrued expenses | 53,217 | 42,761 |
| | <u>7,346,242</u> | <u>4,335,241</u> |

12 OPERATING LEASE COMMITMENTS

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

| | | Land and buildings |
|-----------------------------|---------------|-----------------------|
| | 2011 | 2010 |
| | £ | £ |
| Expiring Within one year | <u>13,000</u> | <u>13,000</u> |

13 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid Number | Class | Nominal value | 2011 | 2010 |
|---|--------------|------------------|---------------|---------------|
| | | | £ | £ |
| 50,000 | Ordinary | £1 | 50,000 | 50,000 |
| 1,000 | A Preference | £1 | 1,000 | 1,000 |
| 1,000 | B Preference | £1 | 1,000 | 1,000 |
| | | | <u>52,000</u> | <u>52,000</u> |

The ordinary shares carry all of the voting rights. The A and B preference shares rank prior to the ordinary shares if the company is subject to any winding up procedures.

14 RESERVES

| | Profit and loss account £ |
|---------------------|------------------------------------|
| At 1 May 2010 | 2,862,013 |
| Profit for the year | 1,549,026 |
| Dividends | (1,221,350) |
| At 30 April 2011 | <u>3,189,689</u> |

A & H CONSTRUCTION & DEVELOPMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 April 2011

15 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of A&H Construction and Developments (Holdings) Limited, a company registered in England

16 RELATED PARTY DISCLOSURES

The company is exempt from disclosing inter-group transactions and balances in accordance with Financial Reporting Standard 8

During the year the company invoiced sales to the value of £nil (2010 - £nil) to St Kenelm Properties Plc a company of which the director, B A Adams, is the controlling shareholder At the balance sheet date the company was owed £715,533 (2010 - £715,533) by St Kenelm Properties Plc

At the balance sheet date the company was owed £124,417 (2010 - £nil) by G & F Properties Limited a company in which the directors have a controlling interest

At the balance sheet date the company was owed £84,851 (2010 - £nil) by MDN Properties (Bath) Limited a company in which the directors have a controlling interest

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Profit for the financial year | 1,549,026 | 335,788 |
| Dividends | (1,221,350) | (312,550) |
| Net addition to shareholders' funds | 327,676 | 23,238 |
| Opening shareholders' funds | 2,914,013 | 2,890,775 |
| Closing shareholders' funds | 3,241,689 | 2,914,013 |

18 ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous year by a director, B A Adams, by virtue of his 100% shareholding in the company's parent company, A & H Construction and Development (Holdings) Limited