

Dodd Group Holdings Limited
Report of the Directors and
Financial Statements
for the Year Ended 31 March 2006

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Dodd Group Holdings Limited

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for the Year Ended 31 March 2006**

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Dodd Group Holdings Limited
Company Information
for the Year Ended 31 March 2006

DIRECTORS:

T M Dodd
Mrs S M Dodd
T R Dodd
A Bigley

SECRETARY:

T R Dodd

REGISTERED OFFICE:

Stafford Park 13
Telford
Shropshire
TF3 3AZ

REGISTERED NUMBER:

02586022

AUDITORS:

Turner Peachey
Chartered Accountants
Registered Auditors
9 - 10 St. Mary's Place
Shrewsbury
Shropshire
SY1 1DZ

Dodd Group Holdings Limited

Report of the Directors for the Year Ended 31 March 2006

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of electrical, heating and ventilation engineers and contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

Review of development and performance

The Group has continued to develop its activities across its key markets of social housing refurbishment, capital construction projects in the education, residential, commercial, health and defence sectors, and reactive and planned maintenance for local authorities and housing associations.

The Property Care division has seen significant growth as a result of the roll-out of the government's Decent Homes initiative. Work has been secured with various tier one contractors on Decent Homes frameworks as well as with local authorities and housing associations on their planned property improvement programmes. Domestic gas servicing and repairs contracts for local authorities and social landlords combine with the above property refurbishments to provide a healthy mix of planned and reactive work.

The construction division has benefited from various sizeable capital projects generating significant repeat business with existing clients. New partnering agreements have also been secured within both the public and private sectors.

The Commercial Maintenance division has been largely driven by continuing reactive and planned maintenance in public sector buildings and for the utilities sector. Key long-term contracts have been successfully renewed and new contracts secured.

The balance sheet on page 8 of the financial statements shows that the Group's financial position at the year end is, in both net assets and cash terms, improved on the prior year.

Principal Risks and Uncertainties

A number of risk factors which have been identified that could potentially impact the operating and financial performance of the Group:

- The possibility of a general economic downturn is a potential risk that the Group faces.
- The loss of key customers is also a potential risk to the business. The Group manages this risk by developing and maintaining strong and non-adversarial relationships with its customers.
- The success of the Group depends upon the recruitment and retention of skilled personnel at all levels. The Group has a remuneration policy designed to attract, motivate and retain individuals of the calibre required, as well as a policy of developing skills within the business through apprenticeships and training.

Key Performance Indicators

The Directors consider that the Group's key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, pre-tax profit and net assets.

Turnover for the year increased from £62.1 million to £62.5 million, an increase of 1%.

Pre-tax profit for the year increased from £3.5 million to £3.7 million, an increase of 6%.

Net assets were £16.1 million at the year end, compared with £13.7 million in the previous year.

Dodd Group Holdings Limited
Report of the Directors
for the Year Ended 31 March 2006

DIVIDENDS

During the year dividends were paid totalling £2.71429 per share. The total distribution of dividends for the year ended 31 March 2006 was £500,000 (2005 £500,000). No final dividend is proposed.

DIRECTORS

The directors during the year under review were:

T M Dodd
Mrs S M Dodd
T R Dodd
A Bigley

The beneficial interests of the directors holding office on 31 March 2006 in the issued share capital of the company were as follows:

	31.3.06	1.4.05
Ordinary 10p shares		
T M Dodd	-	-
Mrs S M Dodd	-	-
T R Dodd	38,150	38,150
A Bigley	9,210	9,210

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations of £2,000.

INTEREST IN SHARES

A non-audit partner of Turner Peachey is a trustee of a Dodd family trust which holds 43,920 shares in Dodd Group Holdings Limited. The trustee has no beneficial interest in the shares.

EMPLOYMENT OF DISABLED PERSONS AND EMPLOYEE INVOLVEMENT

The company and the group are committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company and the group.

Members of the management team regularly visit branches and discuss with members of staff matters of current interest and concern to the business.

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 the group and of the profit or loss of the group 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;
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dodd Group Holdings Limited

**Report of the Directors
for the Year Ended 31 March 2006**

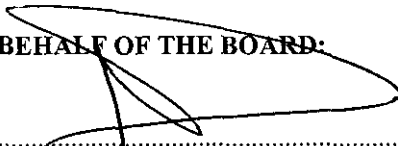
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Turner Peachey, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
T R Dodd - Director

Date:

30-01-2007

**Report of the Independent Auditors to the Members of
Dodd Group Holdings Limited**

We have audited the financial statements of Dodd Group Holdings Limited for the year ended 31 March 2006 on pages six to twenty four. These 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 Report of the Directors 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 Report of the Directors 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.

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 affairs of the company and the group as at 31 March 2006 and of the profit of the group 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 Report of the Directors is consistent with the financial statements.

Turner Peachey
Chartered Accountants
Registered Auditors
9 - 10 St. Mary's Place
Shrewsbury
Shropshire
SY1 1DZ



Date: 31/1/07

Dodd Group Holdings Limited

**Consolidated Profit and Loss Account
for the Year Ended 31 March 2006**

	Notes	31.3.06 £'000	31.3.05 £'000
TURNOVER		62,484	62,073
Cost of sales		<u>46,591</u>	<u>47,172</u>
GROSS PROFIT		15,893	14,901
Administrative expenses		<u>14,170</u>	<u>12,968</u>
		1,723	1,933
Other operating income		<u>1,395</u>	<u>1,072</u>
OPERATING PROFIT	3	3,118	3,005
Interest receivable and similar income		<u>609</u>	<u>518</u>
		3,727	3,523
Interest payable and similar charges	4	<u>11</u>	<u>25</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,716	3,498
Tax on profit on ordinary activities	5	<u>1,100</u>	<u>1,026</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>2,616</u></u>	<u><u>2,472</u></u>

CONTINUING OPERATIONS

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

Dodd Group Holdings Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2006**

	31.3.06	31.3.05
	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR	2,616	2,472
Revaluation of property	<u>250</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>2,866</u></u>	<u><u>2,472</u></u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

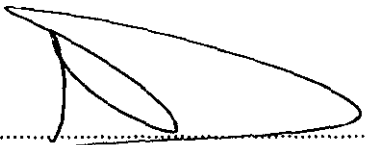
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

Dodd Group Holdings Limited

**Consolidated Balance Sheet
31 March 2006**

	Notes	31.3.06 £'000	£'000	31.3.05 £'000	£'000
FIXED ASSETS					
Tangible assets	9		3,680		3,450
Investments	10		<u>-</u>		<u>-</u>
			3,680		3,450
CURRENT ASSETS					
Stocks	11	2,138		2,435	
Debtors	12	11,997		10,363	
Cash at bank		<u>12,495</u>		<u>11,154</u>	
		26,630		23,952	
CREDITORS					
Amounts falling due within one year	13	<u>14,220</u>		<u>13,675</u>	
NET CURRENT ASSETS			<u>12,410</u>		<u>10,277</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			16,090		13,727
PROVISIONS FOR LIABILITIES	15		<u>12</u>		<u>14</u>
NET ASSETS			<u>16,078</u>		<u>13,713</u>
CAPITAL AND RESERVES					
Called up share capital	16		18		18
Share premium	17		79		79
Revaluation reserve	17		363		113
Profit and loss account	17		<u>15,618</u>		<u>13,503</u>
SHAREHOLDERS' FUNDS	19		<u>16,078</u>		<u>13,713</u>

The financial statements were approved by the Board of Directors on 30-01-2007 and were signed on its behalf by:

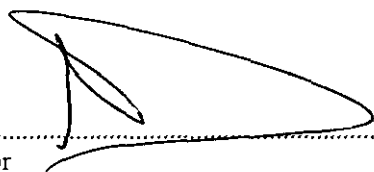

.....
T R Dodd - Director

Dodd Group Holdings Limited

**Company Balance Sheet
31 March 2006**

	Notes	31.3.06 £'000	£'000	31.3.05 £'000	£'000
FIXED ASSETS					
Tangible assets	9		3,000		2,572
Investments	10		<u>18</u>		<u>18</u>
			3,018		2,590
CURRENT ASSETS					
Debtors	12	82		40	
Cash at bank		<u>2,059</u>		<u>1,741</u>	
		2,141		1,781	
CREDITORS					
Amounts falling due within one year	13	<u>1,046</u>		<u>892</u>	
NET CURRENT ASSETS			<u>1,095</u>		<u>889</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,113		3,479
PROVISIONS FOR LIABILITIES	15		<u>12</u>		<u>14</u>
NET ASSETS			<u>4,101</u>		<u>3,465</u>
CAPITAL AND RESERVES					
Called up share capital	16		18		18
Share premium	17		79		79
Revaluation reserve	17		363		113
Profit and loss account	17		<u>3,641</u>		<u>3,255</u>
SHAREHOLDERS' FUNDS	19		<u>4,101</u>		<u>3,465</u>

The financial statements were approved by the Board of Directors on 30-01-2007 and were signed on its behalf by:

.....

 Director

Dodd Group Holdings Limited

**Cash Flow Statement
for the Year Ended 31 March 2006**

	Notes	31.3.06 £'000	£'000	31.3.05 £'000	£'000
Net cash inflow from operating activities	1		2,700		1,965
Returns on investments and servicing of finance	2		598		493
Taxation			(1,218)		(1,053)
Capital expenditure	2		(474)		(372)
Equity dividends paid			<u>(500)</u>		<u>(500)</u>
			1,106		533
Financing	2		<u>236</u>		<u>301</u>
Increase in cash in the period			<u>1,342</u>		<u>834</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		1,341		831	
Cash outflow from decrease in debt and lease financing		<u>139</u>		<u>49</u>	
Change in net funds resulting from cash flows			<u>1,480</u>		<u>880</u>
Movement in net funds in the period			1,480		880
Net funds at 1 April			<u>10,927</u>		<u>10,047</u>
Net funds at 31 March			<u>12,407</u>		<u>10,927</u>

The notes form part of these financial statements

Dodd Group Holdings Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2006**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.06	31.3.05
	£'000	£'000
Operating profit	3,118	3,005
Depreciation charges	497	491
Profit on disposal of fixed assets	(2)	(45)
Decrease in stocks	297	552
Increase in debtors	(1,634)	(1,216)
Increase/(Decrease) in creditors	<u>424</u>	<u>(822)</u>
Net cash inflow from operating activities	<u>2,700</u>	<u>1,965</u>

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

	31.3.06	31.3.05
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	609	518
Interest paid	-	(9)
Interest element of hire purchase payments	<u>(11)</u>	<u>(16)</u>
Net cash inflow for returns on investments and servicing of finance	<u>598</u>	<u>493</u>
Capital expenditure		
Purchase of tangible fixed assets	(493)	(597)
Sale of tangible fixed assets	<u>19</u>	<u>225</u>
Net cash outflow for capital expenditure	<u>(474)</u>	<u>(372)</u>
Financing		
New loans in year	140	-
Capital repayments in year	(279)	(49)
Amount introduced by directors	375	271
Share issue	<u>-</u>	<u>79</u>
Net cash inflow from financing	<u>236</u>	<u>301</u>

Dodd Group Holdings Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2006**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/05 £'000	Cash flow £'000	At 31/3/06 £'000
Net cash:			
Cash at bank and in hand	<u>11,154</u>	<u>1,341</u>	<u>12,495</u>
	<u>11,154</u>	<u>1,341</u>	<u>12,495</u>
Debt:			
Hire purchase	<u>(227)</u>	<u>139</u>	<u>(88)</u>
	<u>(227)</u>	<u>139</u>	<u>(88)</u>
Total	<u>10,927</u>	<u>1,480</u>	<u>12,407</u>

Dodd Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents invoiced sales of goods and services, excluding value added tax, except in respect of long term contracting activities. For long term contracting activities, turnover represents the value of work carried out during the year, including amounts not yet invoiced. The amount by which turnover exceeds progress payments received and receivable is classified "Amounts recoverable on contracts" and is separately disclosed in debtors. Progress payments received in excess of amounts matched with turnover are classified as "Payments received on account" and are disclosed in creditors.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Office equipment	- 50% on cost and 25% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long term contract balances 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.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

2. STAFF COSTS

	31.3.06	31.3.05
	£'000	£'000
Wages and salaries	17,897	16,154
Social security costs	1,981	1,802
Other pension costs	<u>870</u>	<u>636</u>
	<u>20,748</u>	<u>18,592</u>

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

	31.3.06	31.3.05
Management & administration	214	202
Productive operatives	<u>439</u>	<u>427</u>
	<u>653</u>	<u>629</u>

3. OPERATING PROFIT

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

	31.3.06	31.3.05
	£'000	£'000
Other operating leases	353	284
Depreciation - owned assets	453	349
Depreciation - assets on hire purchase contracts	43	141
Profit on disposal of fixed assets	(2)	(45)
Auditors' remuneration	48	46
Auditors' remuneration for non audit work	26	24
Foreign exchange differences	<u>(69)</u>	<u>(228)</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.06	31.3.05
	£'000	£'000
Interest paid	-	9
Hire purchase	<u>11</u>	<u>16</u>
	<u>11</u>	<u>25</u>

Dodd Group Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2006

5. TAXATION

Analysis of the tax charge

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

	31.3.06 £'000	31.3.05 £'000
Current tax:		
UK corporation tax	1,102	1,028
Deferred taxation - origination and reversal of timing differences	<u>(2)</u>	<u>(2)</u>
Tax on profit on ordinary activities	<u>1,100</u>	<u>1,026</u>

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:

	31.3.06 £'000	31.3.05 £'000
Profit on ordinary activities before tax	<u>3,716</u>	<u>3,497</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	1,115	1,049
Effects of:		
Expenses not deductible for tax purposes	34	17
Depreciation in excess of capital allowances respect of previous periods	20	6
Marginal relief	(5)	(31)
Profit on disposal not taxable	(2)	(14)
Other adjustments	<u>(61)</u>	<u>-</u>
Current tax charge	<u>1,101</u>	<u>1,027</u>

Factors that may affect future tax charges

No provision has been made for deferred taxation on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would only become payable if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £9,292. At present, it is not envisaged that any tax will become payable in the foreseeable future.

6. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £885,934 (2005 - £784,450).

7. DIVIDENDS

	31.3.06 £'000	31.3.05 £'000
Ordinary shares of 10p each		
Paid	<u>500</u>	<u>500</u>

Dodd Group Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2006

8. PENSION COSTS

The company operates a group personal pension scheme. It is a defined contribution scheme and contributions are charged to the profit and loss account as they accrue. The charge for the year was £194,496 for the company and £870,181 for the group.

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
COST OR VALUATION			
At 1 April 2005	1,452	1,231	159
Additions	233	-	-
Revaluations	-	250	-
At 31 March 2006	<u>1,685</u>	<u>1,481</u>	<u>159</u>
DEPRECIATION			
At 1 April 2005	91	56	157
Charge for year	<u>31</u>	<u>7</u>	<u>2</u>
At 31 March 2006	<u>122</u>	<u>63</u>	<u>159</u>
NET BOOK VALUE			
At 31 March 2006	<u>1,563</u>	<u>1,418</u>	<u>-</u>
At 31 March 2005	<u>1,361</u>	<u>1,175</u>	<u>2</u>
	Motor vehicles £'000	Office equipment £'000	Totals £'000
COST OR VALUATION			
At 1 April 2005	2,706	479	6,027
Additions	203	57	493
Disposals	(233)	-	(233)
Revaluations	-	-	250
At 31 March 2006	<u>2,676</u>	<u>536</u>	<u>6,537</u>
DEPRECIATION			
At 1 April 2005	1,834	439	2,577
Charge for year	432	24	496
Eliminated on disposal	<u>(216)</u>	<u>-</u>	<u>(216)</u>
At 31 March 2006	<u>2,050</u>	<u>463</u>	<u>2,857</u>
NET BOOK VALUE			
At 31 March 2006	<u>626</u>	<u>73</u>	<u>3,680</u>
At 31 March 2005	<u>872</u>	<u>40</u>	<u>3,450</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

9. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 March 2006 is represented by:

	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
Valuation in 2006	-	250	-
Cost	<u>1,685</u>	<u>1,231</u>	<u>159</u>
	<u>1,685</u>	<u>1,481</u>	<u>159</u>

	Motor vehicles £'000	Office equipment £'000	Totals £'000
Valuation in 2006	-	-	250
Cost	<u>2,676</u>	<u>536</u>	<u>6,287</u>
	<u>2,676</u>	<u>536</u>	<u>6,537</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £'000
COST OR VALUATION	
At 1 April 2005	584
Additions	171
Transfer to ownership	<u>(584)</u>
At 31 March 2006	<u>171</u>
DEPRECIATION	
At 1 April 2005	170
Charge for year	43
Transfer to ownership	<u>(170)</u>
At 31 March 2006	<u>43</u>
NET BOOK VALUE	
At 31 March 2006	<u>128</u>
At 31 March 2005	<u>414</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

9. TANGIBLE FIXED ASSETS - continued

Company	Freehold property £'000	Long leasehold £'000	Motor vehicles £'000	Totals £'000
COST OR VALUATION				
At 1 April 2005	1,452	1,231	70	2,753
Additions	233	-	-	233
Revaluations	<u>-</u>	<u>250</u>	<u>-</u>	<u>250</u>
At 31 March 2006	<u>1,685</u>	<u>1,481</u>	<u>70</u>	<u>3,236</u>
DEPRECIATION				
At 1 April 2005	91	56	34	181
Charge for year	<u>31</u>	<u>7</u>	<u>17</u>	<u>55</u>
At 31 March 2006	<u>122</u>	<u>63</u>	<u>51</u>	<u>236</u>
NET BOOK VALUE				
At 31 March 2006	<u>1,563</u>	<u>1,418</u>	<u>19</u>	<u>3,000</u>
At 31 March 2005	<u>1,361</u>	<u>1,175</u>	<u>36</u>	<u>2,572</u>

Included in land and buildings is freehold land valued at £141,000 (2005 - £141,000) which is not depreciated.

Cost or valuation at 31 March 2006 is represented by:

	Freehold property £'000	Long leasehold £'000	Motor vehicles £'000	Totals £'000
Valuation in 2006	-	250	-	250
Cost	<u>1,685</u>	<u>1,231</u>	<u>70</u>	<u>2,986</u>
	<u>1,685</u>	<u>1,481</u>	<u>70</u>	<u>3,236</u>

10. FIXED ASSET INVESTMENTS

Company	Unlisted investments £'000
COST	
At 1 April 2005 and 31 March 2006	<u>18</u>
NET BOOK VALUE	
At 31 March 2006	<u>18</u>
At 31 March 2005	<u>18</u>

Dodd Group Holdings Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2006

10. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Dodd Group Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Group (Midlands) Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Group (Eastern) Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Group (South) Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Environmental Services Limited

Nature of business: Heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Technology Installation Services Limited

Nature of business: I.T. Network Systems designers & installers

	%
Class of shares:	holding
Ordinary	100.00

All of the above subsidiaries are included in the consolidated financial statements.

11. STOCKS

	Group	
	31.3.06	31.3.05
	£'000	£'000
Raw materials	42	49
Work-in-progress	4,237	6,126
Payments on account	(2,141)	(3,740)
	<u>2,138</u>	<u>2,435</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.06	31.3.05	31.3.06	31.3.05
	£'000	£'000	£'000	£'000
Trade debtors	10,289	9,213	36	39
Amounts owed by group undertakings	-	-	1	1
Amounts recoverable on contracts	1,374	683	-	-
Other debtors	72	267	45	-
Prepayments and accrued income	<u>262</u>	<u>200</u>	<u>-</u>	<u>-</u>
	<u>11,997</u>	<u>10,363</u>	<u>82</u>	<u>40</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.06	31.3.05	31.3.06	31.3.05
	£'000	£'000	£'000	£'000
Hire purchase contracts (see note 14)	88	227	-	-
Payments on account	776	379	-	-
Trade creditors	9,950	9,708	-	3
Amounts owed to group undertakings	-	-	874	737
Tax	350	466	-	-
Social security and other taxes	1,221	1,303	15	46
Other creditors	266	403	26	24
Directors loan account	1,087	712	131	82
Accrued expenses	<u>482</u>	<u>477</u>	<u>-</u>	<u>-</u>
	<u>14,220</u>	<u>13,675</u>	<u>1,046</u>	<u>892</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group		Hire purchase contracts	
		31.3.06	31.3.05
		£'000	£'000
Gross obligations repayable:			
Within one year		<u>91</u>	<u>236</u>
Finance charges repayable:			
Within one year		<u>3</u>	<u>9</u>
Net obligations repayable:			
Within one year		<u>88</u>	<u>227</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

Group

	Other operating leases	
	31.3.06 £'000	31.3.05 £'000
Expiring:		
Within one year	45	23
Between one and five years	<u>195</u>	<u>281</u>
	<u>240</u>	<u>304</u>

15. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.06 £'000	31.3.05 £'000	31.3.06 £'000	31.3.05 £'000
Deferred tax	<u>12</u>	<u>14</u>	<u>12</u>	<u>14</u>

Group

	Deferred tax £'000
Balance at 1 April 2005	14
Reversal of timing differences	<u>(2)</u>
Balance at 31 March 2006	<u>12</u>

Company

	Deferred tax £'000
Balance at 1 April 2005	14
Reversal of timing differences	<u>(2)</u>
Balance at 31 March 2006	<u>12</u>

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.3.06 £	31.3.05 £
500,000	Ordinary	10p	<u>50</u>	<u>50</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.06 £'000	31.3.05 £'000
184,210	Ordinary	10p	<u>18</u>	<u>18</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

17. RESERVES

Group

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2005	13,502	79	113	13,694
Profit for the year	2,616			2,616
Dividends	(500)			(500)
Revaluation of property	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
At 31 March 2006	<u>15,618</u>	<u>79</u>	<u>363</u>	<u>16,060</u>

Company

	Profit and loss account £'000	Share premium £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2005	3,255	79	113	3,447
Profit for the year	886			886
Dividends	(500)			(500)
Revaluation of property	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
At 31 March 2006	<u>3,641</u>	<u>79</u>	<u>363</u>	<u>4,083</u>

18. RELATED PARTY DISCLOSURES

The ultimate controlling party is Mr. T. R. Dodd.

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	31.3.06	31.3.05
	£'000	£'000
Profit for the financial year	2,615	2,472
Dividends	<u>(500)</u>	<u>(500)</u>
	2,115	1,972
Other recognised gains and losses relating to the year (net)	250	-
New share capital subscribed	<u>-</u>	<u>80</u>
Net addition to shareholders' funds	2,365	2,052
Opening shareholders' funds	<u>13,713</u>	<u>11,661</u>
Closing shareholders' funds	<u>16,078</u>	<u>13,713</u>
Equity interests	<u>16,078</u>	<u>13,713</u>
Company	31.3.06	31.3.05
	£'000	£'000
Profit for the financial year	886	785
Dividends	<u>(500)</u>	<u>(500)</u>
	386	285
Other recognised gains and losses relating to the year (net)	250	-
New share capital subscribed	<u>-</u>	<u>80</u>
Net addition to shareholders' funds	636	365
Opening shareholders' funds	<u>3,465</u>	<u>3,100</u>
Closing shareholders' funds	<u>4,101</u>	<u>3,465</u>
Equity interests	<u>4,101</u>	<u>3,465</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2006**

20. DIRECTORS EMOLUMENTS

	31.3.06 £'000	31.3.05 £'000
Emoluments	1,107	1,120
Company contributions to money purchase schemes	741	378
The remuneration of the highest paid director included above was:		
Emoluments	733	753
Company contributions to money purchase schemes	714	456

During the year 3 directors (2005 - 3), were accruing benefits under money purchase schemes.