

**Report of the Directors and
Financial Statements for the Year Ended 28 February 2011
for
Conamar Building Services Limited**



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for the Year Ended 28 February 2011**

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**Company Information
for the Year Ended 28 February 2011**

DIRECTORS:

N Dower
C J Dower

SECRETARY:

C J Dower

REGISTERED OFFICE:

29-31 Orchard Road
Stevenage
Hertfordshire
SG1 3HE

REGISTERED NUMBER:

02898417 (England and Wales)

AUDITORS:

George Hay
Chartered Accountants
and Statutory Auditor
Unit 1B
Focus 4
Fourth Avenue
Letchworth
Hertfordshire
SG6 2TU

**Report of the Directors
for the Year Ended 28 February 2011**

The directors present their report with the financial statements of the company for the year ended 28 February 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building contractors

REVIEW OF BUSINESS

In what has been another difficult period for the economy as a whole the company has managed to achieve excellent results. Turnover has increased from £13m to £16.3m which represents a 25.3% uplift. Our gross margin has suffered slightly but overall with some efficiencies on overheads, as reported in February 2010 accounts, we have seen our net profits more than double to £210k.

The company's balance sheet remains strong with an increase in net current assets to £924k.

External risks - due to the nature of a decreased workload across the industry we have noticed a far more aggressive tendering process amongst our competitors. Within this market we have still been able to price as competitively, which is demonstrated in turnover figures and feel this has been possible due to the cost saving measures that have been adopted through the year.

The business has continued to do well through this year and again this is due to our unique selling point. The business works in varied sectors and carries out varied types of work in these sectors. The business saw consistency in retail works in both refurbishment and new build and in 'one off' specialist residential works, seeing an increase in health and education sectors and new build commercial works.

Going forward the company is looking at continued growth and has won some significant contracts for the current year and beyond. With enquiries in to the business increasing through an active and consistent marketing campaign.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2011.

DIRECTORS

N Dower has held office during the whole of the period from 1 March 2010 to the date of this report.

Other changes in directors holding office are as follows:

C J Dower - appointed 24 November 2010.

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,
- 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.

**Report of the Directors
for the Year Ended 28 February 2011**

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, George Hay, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:



N Dower - Director

Date 17 / 11 / 11

Report of the Independent Auditors to the Members of Conamar Building Services Limited

We have audited the financial statements of Conamar Building Services Limited for the year ended 28 February 2011 on pages six to fifteen. 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 two, 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 28 February 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.

**Report of the Independent Auditors to the Members of
Conamar Building Services Limited**

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

***R C Dilley (Senior Statutory Auditor)
for and on behalf of George Hay
Chartered Accountants
and Statutory Auditor***

Date 18 November 2011

**Profit and Loss Account
for the Year Ended 28 February 2011**

	Notes	28 2 11 £	28 2 10 £
TURNOVER		16,350,805	13,043,815
Cost of sales		<u>14,847,953</u>	<u>11,663,551</u>
GROSS PROFIT		1,502,852	1,380,264
Administrative expenses		<u>1,288,282</u>	<u>1,289,998</u>
OPERATING PROFIT	3	214,570	90,266
Interest receivable and similar income		<u>-</u>	<u>7,319</u>
		214,570	97,585
Interest payable and similar charges	4	<u>3,703</u>	<u>3,692</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		210,867	93,893
Tax on profit on ordinary activities	5	<u>58,910</u>	<u>24,000</u>
PROFIT FOR THE FINANCIAL YEAR		<u>151,957</u>	<u>69,893</u>

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

Balance Sheet
28 February 2011

	Notes	28 2 11 £	£	28 2 10 £	£
FIXED ASSETS					
Tangible assets	6		40,048		46,545
CURRENT ASSETS					
Debtors	7	3,957,263		3,136,605	
Cash in hand		<u>-</u>		<u>101</u>	
		3,957,263		3,136,706	
CREDITORS					
Amounts falling due within one year	8	<u>3,073,262</u>		<u>2,411,609</u>	
NET CURRENT ASSETS			<u>884,001</u>		<u>725,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			924,049		771,642
CREDITORS					
Amounts falling due after more than one year	9		<u>18,517</u>		<u>18,067</u>
NET ASSETS			<u>905,532</u>		<u>753,575</u>
CAPITAL AND RESERVES					
Called up share capital	13		100		2
Profit and loss account	14		<u>905,432</u>		<u>753,573</u>
SHAREHOLDERS' FUNDS	18		<u>905,532</u>		<u>753,575</u>

The financial statements were approved by the Board of Directors on 17 - 11 - 2011 and were signed on its behalf by



C J Dower - Director

**Cash Flow Statement
for the Year Ended 28 February 2011**

	Notes	28 2 11 £	£	28 2 10 £	£
Net cash (outflow)/inflow from operating activities	1		(728,046)		36,411
Returns on investments and servicing of finance	2		(3,703)		3,627
Taxation			(46,948)		(11,100)
Capital expenditure	2		<u>(19,480)</u>		<u>(17,450)</u>
			(798,177)		11,488
Financing	2		<u>415,344</u>		<u>(16,337)</u>
Decrease in cash in the period			<u>(382,833)</u>		<u>(4,849)</u>

Reconciliation of net cash flow to movement in net debt

	3		
Decrease in cash in the period		(382,833)	(4,849)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(6,347)</u>	<u>13,289</u>
Change in net debt resulting from cash flows		<u>(389,180)</u>	<u>8,440</u>
Movement in net debt in the period		<u>(389,180)</u>	<u>8,440</u>
Net debt at 1 March		<u>(66,006)</u>	<u>(74,446)</u>
Net debt at 28 February		<u>(455,186)</u>	<u>(66,006)</u>

**Notes to the Cash Flow Statement
for the Year Ended 28 February 2011**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	28 2 11 £	28 2 10 £
Operating profit	214,570	90,266
Depreciation charges	25,977	23,040
Increase in debtors	(820,658)	(150,414)
(Decrease)/Increase in creditors	<u>(147,935)</u>	<u>73,519</u>
Net cash (outflow)/inflow from operating activities	<u>(728,046)</u>	<u>36,411</u>

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

	28 2 11 £	28 2 10 £
Returns on investments and servicing of finance		
Interest received	-	7,319
Interest element of hire purchase payments	<u>(3,703)</u>	<u>(3,692)</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(3,703)</u>	<u>3,627</u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(19,480)</u>	<u>(17,450)</u>
Net cash outflow for capital expenditure	<u>(19,480)</u>	<u>(17,450)</u>
Financing		
Capital repayments in year	6,347	(13,289)
Amount introduced by directors	-	330,837
Amount withdrawn by directors	<u>408,997</u>	<u>(333,885)</u>
Net cash inflow/(outflow) from financing	<u>415,344</u>	<u>(16,337)</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 3 10 £	Cash flow £	At 28 2 11 £
Net cash			
Cash at bank and in hand	101	(101)	-
Bank overdraft	<u>(38,621)</u>	<u>(382,732)</u>	<u>(421,353)</u>
	<u>(38,520)</u>	<u>(382,833)</u>	<u>(421,353)</u>
Debt			
Hire purchase	<u>(27,486)</u>	<u>(6,347)</u>	<u>(33,833)</u>
	<u>(27,486)</u>	<u>(6,347)</u>	<u>(33,833)</u>
Total	<u>(66,006)</u>	<u>(389,180)</u>	<u>(455,186)</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 28 February 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of construction services, excluding value added tax, except in respect of long term contracts where turnover is recognised when the company obtains the right to consideration

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	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

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 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.

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.

2 STAFF COSTS

	28 2 11 £	28 2 10 £
Wages and salaries	1,264,259	1,388,890
Social security costs	139,495	146,061
Other pension costs	<u>2,000</u>	<u>2,000</u>
	<u>1,405,754</u>	<u>1,536,951</u>

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

	28 2 11	28 2 10
Site workers	19	19
Office staff	<u>18</u>	<u>18</u>
	<u>37</u>	<u>37</u>

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2011**

3 OPERATING PROFIT

The operating profit is stated after charging

	28 2 11	28 2 10
	£	£
Depreciation - owned assets	11,128	8,191
Depreciation - assets on hire purchase contracts	14,849	14,849
Auditors remuneration	<u>18,000</u>	<u>18,000</u>
Directors' remuneration	<u>27,000</u>	<u>29,250</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	28 2 11	28 2 10
	£	£
Hire purchase	<u>3,703</u>	<u>3,692</u>

5 TAXATION

Analysis of the tax charge

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

	28 2 11	28 2 10
	£	£
Current tax		
UK corporation tax	<u>58,910</u>	<u>24,000</u>
Tax on profit on ordinary activities	<u>58,910</u>	<u>24,000</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

	28 2 11	28 2 10
	£	£
Profit on ordinary activities before tax	<u>210,867</u>	<u>93,893</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	59,043	26,290
Effects of		
Accelerated capital allowances	(622)	3,456
Small companies rate relief	(4,956)	(6,824)
Items not deductible	2,283	1,078
Previously under-provided	<u>3,162</u>	<u>-</u>
Current tax charge	<u>58,910</u>	<u>24,000</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2011

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 March 2010	950	7,237	139,815	148,002
Additions	-	700	18,780	19,480
Disposals	-	-	(13,523)	(13,523)
At 28 February 2011	<u>950</u>	<u>7,937</u>	<u>145,072</u>	<u>153,959</u>
DEPRECIATION				
At 1 March 2010	701	5,035	95,721	101,457
Charge for year	143	1,042	24,792	25,977
Eliminated on disposal	-	-	(13,523)	(13,523)
At 28 February 2011	<u>844</u>	<u>6,077</u>	<u>106,990</u>	<u>113,911</u>
NET BOOK VALUE				
At 28 February 2011	<u>106</u>	<u>1,860</u>	<u>38,082</u>	<u>40,048</u>
At 28 February 2010	<u>249</u>	<u>2,202</u>	<u>44,094</u>	<u>46,545</u>

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

	Motor vehicles £
COST	
At 1 March 2010 and 28 February 2011	<u>59,393</u>
DEPRECIATION	
At 1 March 2010	34,914
Charge for year	<u>14,849</u>
At 28 February 2011	<u>49,763</u>
NET BOOK VALUE	
At 28 February 2011	<u>9,630</u>
At 28 February 2010	<u>24,479</u>

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 2 11 £	28 2 10 £
Trade debtors	937,585	1,004,449
Amounts due under contracts not yet invoiced	1,616,708	1,478,732
Sundry Debtors and Prepayments	1,320,863	653,424
VAT	<u>82,107</u>	-
	<u>3,957,263</u>	<u>3,136,605</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2011

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 2 11	28 2 10
	£	£
Bank loans and overdrafts (see note 10)	421,353	38,621
Hire purchase contracts (see note 11)	15,316	9,419
Trade creditors	1,707,430	1,546,254
Tax	55,748	43,786
Social security and other taxes	82,575	74,352
VAT	-	8,903
Directors' current accounts	408,997	-
Sundry creditors and accruals	381,843	690,274
	<u>3,073,262</u>	<u>2,411,609</u>

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28 2 11	28 2 10
	£	£
Hire purchase contracts (see note 11)	<u>18,517</u>	<u>18,067</u>

10 LOANS

An analysis of the maturity of loans is given below

	28 2 11	28 2 10
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>421,353</u>	<u>38,621</u>

11 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	28 2 11	28 2 10
	£	£
Net obligations repayable		
Within one year	15,316	9,419
Between one and five years	<u>18,517</u>	<u>18,067</u>
	<u>33,833</u>	<u>27,486</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	28 2 11	28 2 10
	£	£
Bank overdraft	<u>421,353</u>	<u>-</u>

The bank overdraft is secured by personal guarantees and a cross guarantee and debenture between Conamar Building Services Limited and Conamar Limited

**Notes to the Financial Statements - continued
for the Year Ended 28 February 2011**

13 CALLED UP SHARE CAPITAL

Number	Class	Nominal value £1	28 2 11 £ <u>100</u>	28 2 10 £ <u>2</u>
100	Ordinary			

14 RESERVES

	Profit and loss account £
At 1 March 2010	753,573
Profit for the year	151,957
Bonus share issue	<u>(98)</u>
At 28 February 2011	<u>905,432</u>

15 PENSION COMMITMENTS

The company operates 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 to the fund and amounted to £2,000 (2010 - £2,000).

16 RELATED PARTY DISCLOSURES

During the year the company had transactions with the following companies, related due to directorships, shareholdings or common control either directly or through close family:

Conamar Limited, purchases from Conamar totalling £881,060 (2010 - £2,225,867), sales to Conamar £nil (2010 - £1,004,641), balance due from them at the balance sheet date £923,832 (2010 - £536,899)

M C Joinery, purchases from M C Joinery totalling £119,237 (2010 - £13,068), balance due from them at the balance sheet date £72,483 (2010 - £91,408)

M J Electrical Services Limited, purchases made from M J Electrical totalling £747,437 (2010 - £319,225), balance due from them at the balance sheet date £416,941 (2010 - £342,882)

During the year work was carried out on properties owned personally by Neil Dower and Con Dower. Sales invoices for this work were raised in June 2011 and totalled £582,281 and £465,030 respectively.

All of these transactions were undertaken at arms length under normal commercial terms.

At the balance sheet date the company owed a total of £408,997 to a director, C Dower.

At the balance sheet date the directors have given limited personal guarantees totalling £350,000 in favour of the company's banker.

17 ULTIMATE CONTROLLING PARTY

The company is under the control of a director, C J Dower, by virtue of his beneficial holding of 80% of the issued share capital.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2011

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	28 2 11 £	28 2 10 £
Profit for the financial year	<u>151,957</u>	<u>69,893</u>
Net addition to shareholders' funds	151,957	69,893
Opening shareholders' funds	<u>753,575</u>	<u>683,682</u>
Closing shareholders' funds	<u>905,532</u>	<u>753,575</u>