

Registered no. 3361493

**HENSTAFF CONSTRUCTION LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2003**

**JAMES & UZZELL LTD  
42 ST JAMES CRESCENT  
SWANSEA  
SA1 6DR**



# HENSTAFF CONSTRUCTION LIMITED

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# HENSTAFF CONSTRUCTION LIMITED

## MANAGING DIRECTOR'S STATEMENT FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2003

Henstaff Construction is now trading as an established company with much repeat business. We have made an excellent start to the new financial year with several new contracts awarded.

This was our busiest and most profitable year to date. Turnover was £1.8m, up nearly £0.5m from the previous year. Next year will be even better. The company continues to retain much of its profit to finance future growth.

Highlights of the year have included: -

- The completion the Martin Tinney Gallery in Cardiff. This is Wales's premier contemporary art gallery. This design and build scheme included new build and refurbishment on a very restricted site. The finished result reflects well on the company's ability to produce high quality work on time in difficult circumstances.
- We have been awarded further retail refurbishment and alteration work for Capital & Counties PLC to the value of £1.5m. This includes 240m of high specification planar glazed canopies. This is typical of Henstaff's work on projects with a high technical content.
- We have now carried out three contracts for the Welsh Development Agency. These include the architecturally innovative new conference facilities at the QED Centre.
- Continuing our growth of public sector work, the Swansea City Council/University of Swansea Partnership has awarded us the contract to convert the old Sketty Lane swimming pool to a modern sports club. Henstaff have now carried out a number of high quality sports projects.
- Our housing development in Clydach near Abergavenny is nearing completion. Our commercial and housing scheme at Ystrad Mynach is well advanced. There are several other commercial and housing development schemes in the pipeline. We seek value in difficult sites that call on our expertise in civil engineering.

We have successfully increased the size of our contracts. We will however continue to carry out smaller schemes that need our expertise. We continue to specialise in refurbishment with the Client in occupation. The company's good long term trading relationships with subcontractors and suppliers has enabled us to continue to deal with the current labour shortages. We have continued to expand our key workforce and are actively recruiting further site managers so that our growth can continue.

# **HENSTAFF CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2003**

The directors present their report and the financial statements of the company for the year ended 30 April 2003.

### **Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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.

### **Directors**

Mr E Brooks - Dowsett  
Mr E S Atkinson  
Mr Akbar Ali

### **Secretary**

Mr E S Atkinson

### **Registered Office**

42 St James Crescent  
Swansea  
SA1 6DR

### **Principal Activity**

The principal activity of the company throughout the year was that of building contractors.

### **Directors**

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

### **Share Capital**

The company is a wholly owned subsidiary of Henstaff Holdings Limited. The interests of the directors in the share capital of the holding company are given in the directors report of that company's accounts.

# HENSTAFF CONSTRUCTION LIMITED

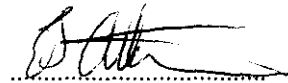
## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2003 (CONT)

### Auditors

The auditors, James & Uzzell Ltd, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



MR E S ATKINSON - SECRETARY

Date: 21/10/03

# HENSTAFF CONSTRUCTION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENSTAFF CONSTRUCTION LIMITED

We have audited the financial statements of Henstaff Construction Limited for the year ended 30 April 2003 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

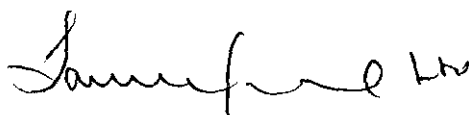
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept 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 transactions with the company is not disclosed.

We read the Managing Director's Statement and Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within them.

### Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.



JAMES & UZZELL LTD  
Chartered Certified Accountants  
and Registered Auditors

42 ST JAMES CRESCENT  
SWANSEA  
SA1 6DR

Date: 17<sup>th</sup> November 2003

# HENSTAFF CONSTRUCTION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2003

	Note	2003 £	2002 £
<b>TURNOVER</b>	2	1,836,629	1,353,175
Cost of sales		1,462,047	1,042,258
<b>GROSS PROFIT</b>		374,582	310,917
Net operating expenses	3	239,083	242,573
<b>OPERATING PROFIT</b>	4	135,499	68,344
Other interest receivable and similar income		677	2,964
Interest payable and similar charges		(1,566)	(137)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		134,610	71,171
Tax on profit on ordinary activities	5	25,940	12,828
<b>PROFIT FOR THE FINANCIAL YEAR</b>		108,670	58,343
Dividends	6	45,630	18,000
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		63,040	40,343
Retained profit brought forward		183,808	143,464
<b>RETAINED PROFIT CARRIED FORWARD</b>		246,848	183,807

The annexed notes form part of these financial statements.

# HENSTAFF CONSTRUCTION LIMITED

## BALANCE SHEET AT 30 APRIL 2003

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	7	14,135	14,805
<b>CURRENT ASSETS</b>			
Stocks		281,208	122,439
Debtors	8	314,119	185,224
Cash at bank and in hand		2,008	3,790
		<u>597,335</u>	<u>311,453</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	364,620	142,449
<b>NET CURRENT ASSETS</b>		<u>232,715</u>	<u>169,004</u>
<b>NET ASSETS</b>		<u>246,850</u>	<u>183,809</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Profit and loss account		246,848	183,807
<b>SHAREHOLDERS' FUNDS</b>		<u>246,850</u>	<u>183,809</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the board on 21/10/03.....

ON BEHALF OF THE BOARD



MR E BROOKS - DOWSETT - DIRECTOR

The annexed notes form part of these financial statements.



# **HENSTAFF CONSTRUCTION LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003**

### **1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

#### **Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The effects of events in relation to the year ended 30 April 2003 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 April 2003 and of the results for the year ended on that date.

#### **Depreciation**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Property Improvements	- 2% per annum of cost
Fixtures and fittings	- 25% per annum of cost

#### **Stocks**

Stocks and work in progress have been valued at the lower of cost and net realisable value with the exception of long term contracts where the turnover and related costs are recorded according to the stage of completion of the contract.

#### **Deferred Taxation**

Deferred taxation is accounted for in accordance with the requirements of FRS19.

#### **Leasing**

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

#### **Pension Costs**

The company operates a pension scheme. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

# HENSTAFF CONSTRUCTION LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003 (CONT)

### Going Concern

The directors have considered the trading position of the company and, based on a review of the accounting records since the year end, are confident the going concern principle can be applied to the financial statements.

### 2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

### 3. NET OPERATING EXPENSES

	2003 £	2002 £
Administrative expenses	239,083	242,573

### 4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003 £	2002 £
Directors' emoluments	58,608	77,979
Depreciation and amortisation of owned assets	670	985
Auditors' remuneration	1,500	1,500

### 5. TAXATION

	2003 £	2002 £
Corporation tax charge	25,940	12,828

# HENSTAFF CONSTRUCTION LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003 (CONT)

### 6. DIVIDENDS

	2003 £	2002 £
On ordinary shares		
Final dividend paid	45,630	-
Final dividend proposed	-	18,000
	<u>45,630</u>	<u>18,000</u>

### 7. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 May 2002 and 30 April 2003	<u>14,725</u>	<u>3,075</u>	<u>17,800</u>
<b>Depreciation</b>			
At 1 May 2002	295	2,700	2,995
Charge for the year	295	375	670
At 30 April 2003	<u>590</u>	<u>3,075</u>	<u>3,665</u>
<b>Net book value</b>			
At 30 April 2003	<u>14,135</u>	<u>-</u>	<u>14,135</u>
At 30 April 2002	<u>14,430</u>	<u>375</u>	<u>14,805</u>

# HENSTAFF CONSTRUCTION LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003 (CONT)

### 8. DEBTORS

	2003 £	2002 £
Trade debtors	77,953	40,221
Amount owed by group undertakings	207,064	75,508
Other debtors	29,102	69,495
	<u>314,119</u>	<u>185,224</u>

### 9. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	237,192	26,314
Trade creditors	70,735	55,818
Corporation tax payable	25,940	13,639
Social security and other taxes	11,874	4,280
Other creditors	18,879	42,398
	<u>364,620</u>	<u>142,449</u>

### 10. SHARE CAPITAL

	2003 £	2002 £
Authorised		
5,000 ordinary shares of £1 each	5,000	5,000
	<u>          </u>	<u>          </u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

# **HENSTAFF CONSTRUCTION LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003 (CONT)**

### **11. PENSION COSTS**

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £10,447 (2002 - £10,447).

### **12. RELATED PARTIES**

Consultancy costs of £ 17,212 (2002 : £21,781) relate to the provision of services by a consultancy operated by E S Atkinson, a director of the company.

During the year rent amounting to £6,500 (2002: £6,000) was paid to E B Dowsett, a director of the company.

During the year the company has been undertaking a contract for its holding company, Henstaff Holdings Limited. The company has incurred costs, which are included in work in progress amounting to £265,320 at the year end.(2002 : £89,682)

Also during the year the company invoiced Henstaff Holdings for work completed at a value of £439,692 which is included in sales.

The amount owed by Henstaff Holdings at the year end was £207,064. (2002 : £75,508).

The company did work during this period for Cross Street Properties Limited, a company in which E S Atkinson is a director and shareholder. £18,649 (2002 : £70,000) is included in sales in relation to this contract, and the project was completed during this year .No monies were owed in relation to this contract at the year end.

In relation to bank borrowings there is a cross guarantee in place with the company's parent undertaking Henstaff Holdings Limited.

### **13. CONTROLLING PARTY**

There is no ultimate controlling party.

### **14. PARENT UNDERTAKINGS**

The ultimate parent company is Henstaff Holdings Limited, a company registered in Great Britain.