

Registered no. 3361493

HENSTAFF CONSTRUCTION LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2006

JAMES & UZZELL LTD
AXIS 15, AXIS COURT
MALLARD WAY, RIVERSIDE BUSINESS PARK
SWANSEA VALE, SWANSEA
SA7 0AJ

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HENSTAFF CONSTRUCTION LIMITED

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HENSTAFF CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2006

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

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.

HENSTAFF CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2006 (CONT)

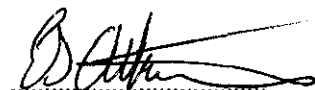
Directors' Interests

The interests of the directors in the shares of Henstaff Holdings Limited, the company's ultimate parent undertaking at the beginning and end of the year, were as follows:

	30 April 2006	1 May 2005
Mr E Brookes Dowsett		
Beneficial interests	6667	6667
£1 Ordinary Shares		
Mr E S Atkinson		
Beneficial interests	6667	6667
£1 Ordinary Shares		
Mr A Ali		
Beneficial interests	6667	6667
£1 Ordinary Shares		

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: 24/10/06

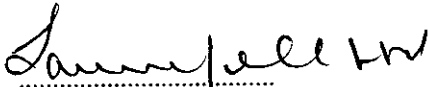
HENSTAFF CONSTRUCTION LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF HENSTAFF CONSTRUCTION LIMITED

You consider that the company is exempt from an audit for the year ended 30 April 2006. You have acknowledged, on the balance sheet, your responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company and of its profit or loss for the financial year.

In accordance with your instructions, we have prepared the financial statements on pages 4 to 11 from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any other review, and consequently we do not express any opinion on these financial statements.



James & Uzzell Ltd
Chartered Certified Accountants
and Registered Auditors

Date: 6 December 2006

Axis 15, Axis Court
Mallard Way, Riverside Business Park
Swansea Vale, Swansea
SA7 0AJ

HENSTAFF CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2006

	Note	2006 £	2005 £
TURNOVER	2	3,648,898	2,073,807
Cost of sales		2,856,722	1,497,508
GROSS PROFIT		792,176	576,299
Net operating expenses	3	475,691	334,235
OPERATING PROFIT	4	316,485	242,064
Other interest receivable and similar income		856	1,382
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		317,341	243,446
Tax on profit on ordinary activities	5	85,443	63,197
PROFIT FOR THE FINANCIAL YEAR		231,898	180,249

The annexed notes form part of these financial statements.

HENSTAFF CONSTRUCTION LIMITED

BALANCE SHEET AT 30 APRIL 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	13,251	13,546
CURRENT ASSETS			
Stocks		473,342	218,462
Debtors	7	560,515	662,669
Cash at bank and in hand		70,327	1,248
		<u>1,104,184</u>	<u>882,379</u>
CREDITORS			
Amounts falling due within one year	8	663,676	544,259
NET CURRENT ASSETS		<u>440,508</u>	<u>338,120</u>
NET ASSETS		<u>453,759</u>	<u>351,666</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	10	453,757	351,664
SHAREHOLDERS' FUNDS		<u>453,759</u>	<u>351,666</u>

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

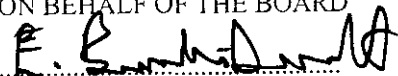
The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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 January 2005).

These financial statements were approved by the board on 24/10/06

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 2006

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 January 2005).

The effects of events in relation to the year ended 30 April 2006 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 2006 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

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.

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.

Stocks & Work in Progress

Stock is valued at the lower of cost or net realisable value. Work in progress was previously valued on the same basis with the exception of long term contracts where the turnover and related costs were recorded according to the stage of completion of the contract. During the period, UITF has been adopted thus resulting in the current and previous period work in progress being revalued at selling price. The effect on the profits of the previous period is shown in the reserves note.

HENSTAFF CONSTRUCTION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2006 (CONT)

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

	2006 £	2005 £
Administrative expenses	475,691	334,235

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Directors' emoluments	38,771	38,196
Depreciation and amortisation of owned assets	295	295

5. TAXATION

	2006 £	2005 £
Corporation tax charge	85,443	63,197

HENSTAFF CONSTRUCTION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2006 (CONT)

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 May 2005 and 30 April 2006	14,725	3,075	17,800
Depreciation			
At 1 May 2005	1,179	3,075	4,254
Charge for the year	295	-	295
At 30 April 2006	1,474	3,075	4,549
Net book value			
At 30 April 2006	13,251	-	13,251
At 30 April 2005	13,546	-	13,546

7. DEBTORS

	2006 £	2005 £
Trade debtors	88,353	141,167
Amount owed by group undertakings	311,127	504,033
Other debtors	161,035	17,469
	560,515	662,669

HENSTAFF CONSTRUCTION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2006 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts	145,608	65,583
Trade creditors	241,585	154,856
Corporation tax payable	87,518	63,197
Social security and other taxes	105,313	62,539
Other creditors	83,652	198,084
	<u>663,676</u>	<u>544,259</u>

The bank overdraft is secured.

9. SHARE CAPITAL

	2006 £	2005 £
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 2006 (CONT)

10. PROFIT AND LOSS ACCOUNT

	2006 £
At 1 May 2005	
- as previously reported	342,815
- prior year adjustment (see below)	8,848
	<hr/>
As restated	351,663
Profit for the financial year	231,898
Dividends paid	(129,804)
	<hr/>
At 30 April 2006	<u>453,757</u>

The comparative figures in the financial statements have been restated to include the prior year adjustment.

This is due to the adoption of UITF 40 whereby work in progress has been valued at selling price in the current and prior periods as opposed to the original accounting policy of valuing at cost.

11. CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of its fellow group companies. The bank borrowings were as follows:-

	2006 £	2005 £
Henstaff Holdings Limited	214,891	147,756

12. 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 £10,435 (2005 - £10,435).

HENSTAFF CONSTRUCTION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2006 (CONT)

13. RELATED PARTIES

Consultancy costs of £20,404 (2005 : £17,787) 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 £6,000 (2005: £6,000) was paid to E B Dowsett, a director of the company.

Also during the year rent amounting to £3,600 (2005: £1,800) was paid to Bryn Derwen Limited, a company of which Mr E S Atkinson is director.

During the year the company paid rent to Henstaff Holdings Limited amounting to £15,000 (2005: £15,000).

During the year the company has been undertaking a contract for its holding company, Henstaff Holdings Limited. Included in work in progress at the year end was an amount of £443,361. (2005: £218,463) relating to work done for Henstaff Holdings Limited.

During the year the company invoiced Henstaff Holdings Limited for work completed at a value of £364,930 (2005: £95,938) which is included in sales.

The amount owed by Henstaff Holdings at the year end was £311,127.(2005 : £504,033).

At the year end an amount was owed by Sticky Fingers Nursery Limited, a company of which Mr E Atkinson is a shareholder, the amount was £16,769 (2005 - Nil). During the year we made a bad debt provision for the whole of the outstanding balance.

14. CONTROLLING PARTY

There is no ultimate controlling party.

15. PARENT UNDERTAKINGS

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