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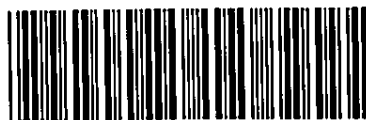
Abbey Pynford Piling and Foundations Ltd
(formally known as Abbey Pynford House
Foundations Limited)

Report and Financial Statements

Year Ended

30 September 2007

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BDO Stoy Hayward
Chartered Accountants

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Annual report and financial statements for the year ended 30 September 2007

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Directors

P Kiss
P Jones
A Tear
M Badham
P Shiells

Secretary and registered office

P Kiss, 2nd Floor Hille House, 132A St Albans Road, Watford, Herts WD24 4AQ

Company number

3582614

Auditors

BDO Stoy Hayward LLP, Prospect Place, 85 Great North Road
Hatfield, Herts, AL9 5BS

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Report of the directors for the year ended 30 September 2007

On 25 May 2007 the company changed its name to Abbey Pynford Piling and Foundations Limited

The directors present their report together with the audited financial statements for the year ended 30 September 2007

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Principal activities, review of business and future developments

The company is engaged in the construction of proprietary foundations systems and mainstream open site piling. The company's main area of operations is Midlands and the South of England, although, certain projects are undertaken in the whole of England and southern Scotland. While there have been no principle changes in the company's activities, the foundation systems have been continually improved and we foresee further development particularly in the commercial market.

The profit and loss account is set out on page 6 and shows turnover for the year of £10,508,720 and profit for the year of £98,215.

These figures are modest and represent a particularly difficult year in the open site piling market where losses have been incurred due to underpricing, the competitiveness of this market and site issues. It is our intention early 2008 to withdraw from this market and concentrate on our core business where margins are higher. Overhead costs will be reduced according to need and reduction in turnover.

Our forecast for 2008 is a Sales turnover of £13million with a net profit of £322K. The net position is expected to improve as the business breaks through the minimum turnover threshold to sustain a professionally managed core business and achieves economies of scale.

There have been no events since the balance sheet date, which materially affect the position of the company.

The business commenced a process of consolidation in 2007 establishing one main central site including offices, and yard facilities. This will continue in 2008 by relocating our plant yard into the central facility. This facility will support remote sales offices and bring a higher degree of control to the business. This in turn will increase profitability. However, the company may well bear the costs of consolidation in 2008, which will reflect in the figures.

Housedeck is the brand name for the company's proprietary house foundation system and Comdeck for commercial. With an increased spend in PR and an increasing list of successful projects completed the Brands are growing in strength and the company expects to gain market share.

Post balance sheet events

There have been no events since the balance sheet date which materially affect the position of the company.

Charitable and political contributions

During the year the company made charitable contributions of £150 (2006 £433). There were no political contributions.

Report of the directors for the year ended 30 September 2007 (*Continued*)

Directors

The directors of the company during the year were

P Kiss	
P Jones	
A Tear	(Appointed 17 January 2007)
M Badham	(Appointed 17 August 2007)
P Shiells	(Appointed 1 January 2007)

Financial risk management

The Foundations markets in both Housing and commercial remain strong yet there is a feeling of uncertainty which could impact towards the end of 2008 due to the cost of borrowing and lack of trust in financial markets

The principal risks are those in a sector of a contractual nature. The development of the systems and processes in the company has minimised these risks. The introduction of QMS and our anticipated accreditation in March give further comfort of the minimisation of the risk of internal error.

Risks due to bad debts are minimised by careful credit checking and the insistence on pre-payments where appropriate.

Cash flows are monitored weekly by all directors. The company is financed by invoice discounting and does not operate an overdraft.

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year. 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, and
- 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 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.

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

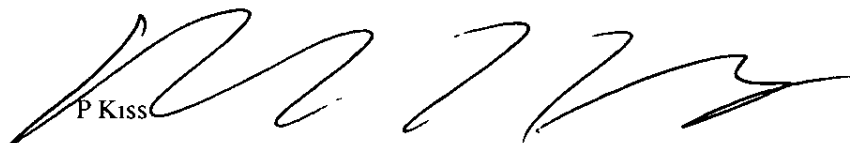
Report of the directors for the year ended 30 September 2007 (Continued)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

 P Kiss

Director

Date 15 September 2008

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Independent auditor's report

To the shareholders of Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

We have audited the financial statements of Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited) for the year ended 30 September 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 in the statement of directors' responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Independent auditor's report (*Continued*)

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 the company's affairs as at 30 September 2007 and of its profit 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 directors' report is consistent with the financial statements

Ado Jy Hayward

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Hatfield

Date *15 September 2008*

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Profit and loss account for the year ended 30 September 2007

	Note	2007 £	2006 £
Turnover	2	10,508,720	8,148,923
Cost of sales		8,091,725	5,793,377
Gross profit		2,416,995	2,355,546
Distribution costs		156,914	129,205
Administrative expenses		2,123,423	2,120,643
Operating profit	3	136,658	105,698
Other interest receivable and similar income		2,391	1,673
Interest payable and similar charges	6	(18,328)	(24,409)
Profit on ordinary activities before taxation		120,721	82,962
Taxation on profit on ordinary activities	7	22,506	54,017
Profit on ordinary activities after taxation		98,215	28,945

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year

The notes on pages 8 to 18 form part of these financial statements

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Balance sheet at 30 September 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	8		868,134		693,211
Fixed asset investments	9		100,100		100,100
			<u>968,234</u>		<u>793,311</u>
Current assets					
Stocks	10	137,655		296,257	
Debtors	11	2,603,141		2,683,258	
Cash at bank and in hand		126		99,618	
		<u>2,740,922</u>		<u>3,079,133</u>	
Creditors: amounts falling due within one year	12	3,294,467		3,519,981	
		<u></u>		<u></u>	
Net current liabilities			(553,545)		(440,848)
			<u></u>		<u></u>
Total assets less current liabilities			414,689		352,463
Creditors: amounts falling due after more than one year	13	78,472		119,214	
Provisions for liabilities	14	119,879		115,126	
		<u></u>		<u></u>	
			198,351		234,340
			<u>216,338</u>		<u>118,123</u>
Capital and reserves					
Called up share capital	15		50,000		50,000
Profit and loss account	16		166,338		68,123
			<u>216,338</u>		<u>118,123</u>
Shareholders' funds			<u>216,338</u>		<u>118,123</u>

The financial statements were approved by the board of directors and authorised for issue on 15 September 2008.


P. Kiss
Director

The notes on pages 8 to 18 form part of these financial statements

Notes forming part of the financial statements for the year ended 30 September 2007

1 Accounting policies

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

The following principal accounting policies have been applied

Consolidated financial statements

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent. These financial statements therefore present information about the company as an individual undertaking and not about its group

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Abbey Pynford Holdings Plc and the company is included in consolidated financial statements

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Income is recognised on a works certified basis. Retentions are recognised when the final certificate is submitted to the client for completion

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates

Plant and machinery	- 10% - 25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract

Research

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The company operates a stakeholder pension scheme for employees. No contribution is made by the company. Pension contributions are made in respect of the directors and charged to the profit and loss account when premiums are paid to individual schemes operated by individual insurance companies.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Abbey Pynford Holdings Plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

1 Accounting policies (*continued*)

Provisions for guarantees

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

Invoice discounting debts

Where invoice discounted debts can be separately identified and the financing house has no recourse to the other assets of the company, a linked presentation is adopted.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2007 £	2006 £
This is arrived at after charging		
Research and development - current year's expenditure	5,540	30,887
Depreciation of tangible fixed assets	121,393	94,692
Hire of plant and machinery - operating leases	44,454	30,888
Hire of other assets - operating leases	28,848	26,500
Audit services	6,613	5,000
Non-audit services	950	950
	<u> </u>	<u> </u>

Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)

4 Employees

Staff costs (including directors) consist of

	2007 £	2006 £
Wages and salaries	1,508,090	1,460,448
Social security costs	189,862	162,647
Other pension costs	11,000	9,000
	<u>1,708,952</u>	<u>1,632,095</u>

The average number of employees (including directors) during the year was 41 (2006 - 37). These costs include time costs for staff working for the company where they were employees of other group companies.

5 Directors' remuneration

	2007 £	2006 £
Directors' emoluments	122,101	136,715
Company contributions to money purchase pension schemes	9,000	9,000
	<u>131,101</u>	<u>145,715</u>

6 Interest payable and similar charges

	2007 £	2006 £
Bank loans and overdrafts	13,680	2,653
Finance leases and hire purchase contracts	4,648	20,559
Interest on factored debts	-	1,197
	<u>18,328</u>	<u>24,409</u>

Abbey Pynford Piling and Foundations Ltd (formally known as Abbey Pynford House Foundations Limited)

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

7 Taxation on profit on ordinary activities

	2007 £	2007 £	2006 £	2006 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	13,573		14,404	
Adjustment in respect of previous periods	4,180		(225)	
	<u> </u>		<u> </u>	
Total current tax		17,753		14,179
<i>Deferred tax</i>				
Origination and reversal of timing differences		4,753		39,838
		<u> </u>		<u> </u>
Taxation on profit on ordinary activities		22,506		54,017
		<u> </u>		<u> </u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	120,721	82,962
	<u> </u>	<u> </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 - 30%)	36,216	24,889
Effect of		
Expenses not deductible for tax purposes	1,808	375
Capital allowances for period in excess of depreciation	(16,976)	(2,622)
Effect of small companies taxation rate	(7,307)	(8,238)
Under/(Over) provision in respect of prior year	4,180	(225)
Short term timing difference	(168)	-
	<u> </u>	<u> </u>
Current tax charge for period	17,753	14,179
	<u> </u>	<u> </u>

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 October 2006	912,964	-	14,646	927,610
Additions	210,319	10,782	84,599	305,700
Disposals	-	-	(13,246)	(13,246)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2007	1,123,283	10,782	85,999	1,220,064
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 October 2006	230,718	-	3,681	234,399
Provided for the year	107,154	1,598	12,641	121,393
Disposals	-	-	(3,862)	(3,862)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2007	337,872	1,598	12,460	351,930
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 September 2007	785,411	9,184	73,539	868,134
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2006	682,246	-	10,965	693,211
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £527,627 (2006 - £607,715) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £80,088 (2006 - £80,088).

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

9 Fixed asset investments

	Group undertakings £
<i>Cost or valuation</i>	
At 1 October 2006 and 30 September 2007	100,100

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>		
Abbey Pynford Special Contracts Limited	100%	Commercial underpinning and restricted access work
Abbey Pynford Foundation Systems Limited	100%	Underpinning and foundation work
Abbey Pynford Services Limited	100%	Services company

Details of the share results and reserves of the investments are available in the financial statements of Abbey Pynford Holdings Plc, the ultimate group parent undertaking

10 Stocks

	2007 £	2006 £
Raw materials and consumables	76,156	31,511
Work in progress	61,499	264,746
	137,655	296,257

There is no material difference between the replacement cost of stocks and the amounts stated above

Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)

11 Debtors

	2007 £	2006 £
Trade debtors	1,150,765	1,190,103
Amounts owed by group undertakings	1,255,910	1,348,969
Other debtors	171,487	115,435
Prepayments and accrued income	24,979	28,751
	<u>2,603,141</u>	<u>2,683,258</u>

All amounts shown under debtors fall due for payment within one year

Abbey Pynford Piling and Foundations Limited has a debt purchase agreement with its bankers

12 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts (secured)	188,711	-
Trade creditors	858,156	1,330,271
Amounts owed to group undertakings	1,680,145	1,747,829
Taxation and social security	78,500	61,372
Obligations under finance lease and hire purchase contracts	42,744	93,644
Other creditors	-	23,714
Accruals and deferred income	446,211	263,151
	<u>3,294,467</u>	<u>3,519,981</u>

The invoice discounting agreement is secured by a fixed and floating charge over all of the assets and property of the company. The Abbey Pynford group of companies also has a group bank set off agreement, omnibus guarantee and fixed and floating charge. During the year the group of companies failed to meet its turnover targets set by the invoice discounting facility. No action was taken by the funders to the facility.

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

13 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	50,100	50,100
Obligations under finance lease and hire purchase contracts	28,372	69,114
	<u>78,472</u>	<u>119,214</u>
 Maturity of debt		
	Finance leases 2007 £	Finance leases 2006 £
In one year or less, or on demand	42,744	93,644
In more than one year but not more than two years	28,372	40,743
In more than two years but not more than five years	-	28,371
	<u>28,372</u>	<u>69,114</u>

The finance and hire purchase obligations are secured on the underlying assets giving rise to them

14 Provisions for liabilities

		Deferred taxation £
At 1 October 2006		115,126
Charged to profit and loss account		4,753
		<hr/>
At 30 September 2007		119,879
		<hr/> <hr/>
<i>Deferred taxation</i>		
	2007 £	2006 £
Accelerated capital allowances	119,879	115,126

Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)

15 Share capital

	2007 £	Authorised 2006 £	Allotted, called up and fully paid 2007 £	2006 £
100,000 Ordinary shares of £1 each	100,000	100,000	50,000	50,000

16 Reserves

	Profit and loss account £
At 1 October 2006	68,123
Profit for the year	98,215
At 30 September 2007	166,338

17 Pensions

The company makes contributions to directors own pension executive schemes operated by individual insurance companies

The total contributions paid in the year amounted to £8,000 (2006 £9,000) No pension payments were accruing or prepaid at the year end (2006 £Nil)

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2007 Land and buildings £	2007 Other £	2006 Land and buildings £	2006 Other £
Operating leases which expire				
Within one year	-	683	-	156
In two to five years	25,000	30,888	25,000	30,966
	25,000	31,571	25,000	31,122

19 Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the company are consolidated is that headed by Abbey Pynford Holdings Plc, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from 2nd Floor Hille House, 132A St Albans Road, Watford, Herts, WD24 4AQ.