

McPhillips (Holdings) Limited

Revised accounts - CAD 27984

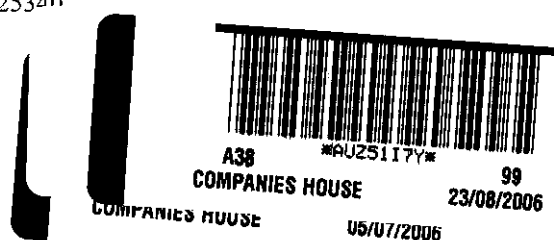
5025340

McPhillips (Holdings) Limited

Directors' Report and Consolidated Financial Statements

for the Year Ended 30 September 2005

Registration number: 5025340



McPhillips (Holdings) Limited

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McPhillips (Holdings) Limited
Officers and Advisers

Directors	P F J McPhillips
	N P J McPhillips
Secretary	D C Wauchope
Registered office	Horton House Hortonwood 50 Telford Shropshire TF1 7FG
Auditors	Bentley Jennison Chartered Accountants & Registered Auditors 3 Hollinswood Court Stafford Park 1 Telford TF3 3BD

McPhillips (Holdings) Limited

Directors' Report for the Year Ended 30 September 2005

The directors present their report and the audited consolidated financial statements for the year ended 30 September 2005.

Directors' responsibilities

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and group at the end of the financial year and of the profit or loss of the company and group for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and group and to prevent and detect fraud and other irregularities.

Principal activity and business review

The principal activity of the company is that of a holding company. The principal activity of the group in the year under review was that of civil engineering contractors.

The directors consider that the results for the year and the financial position at the end of the year were satisfactory. They are confident that the group will continue to trade profitably in the future.

Results and dividend

The results for the group are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Land and buildings

In the opinion of the directors the present market value of the company's properties is in excess of the net book value amount.

Employment policies

The group believes in keeping its employees informed on matters affecting them and the performance of the group.

The group is committed to equal opportunities in employment. The group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person. Where an employee becomes disabled, every effort is made to ensure that their employment continues and to provide training, career development and promotion wherever appropriate.

Charitable and political donations

During the year the group made charitable donations totalling £34,276.

McPhillips (Holdings) Limited
Directors' Report for the Year Ended 30 September 2005

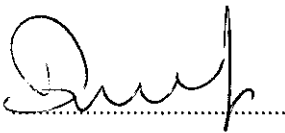
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Directors and their interests

The directors who held office during the year and their beneficial interest in the shares of the company were as follows:

	Ordinary shares of £1 each	
	30 September 2005 No.	30 September 2004 No.
P F J McPhillips	2,499	2,499
N P J McPhillips	2,499	2,499

Approved by the Board and signed on its behalf by:



D C Wauchope
Company Secretary

Date: 27/8/06

Independent Auditors' Report to the Members of McPhillips (Holdings) Limited

We have audited the consolidated financial statements of McPhillips (Holdings) Limited for the year ended 30 September 2005 set out on pages 5 to 21. These consolidated financial statements have been prepared 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 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

As described in the statement of Directors' responsibilities on page 2, 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 consolidated 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 consolidated 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 consolidated financial statements, if the group 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 and other members of the group 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 responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the group'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 consolidated 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 consolidated financial statements.

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the company and the group as at 30 September 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....
Bentley Jennison
Chartered Accountants & Registered Auditors

Date:..... 3 July 2006

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3BD

McPhillips (Holdings) Limited
Consolidated Profit and Loss Account for the Year Ended 30 September 2005

	Note	2005 £	2004 £
Turnover	2	32,171,360	33,683,334
Cost of sales		(27,996,080)	(28,017,266)
Gross profit		<u>4,175,280</u>	<u>5,666,068</u>
Administrative expenses		(3,657,231)	(3,991,610)
Operating profit	3	<u>518,049</u>	<u>1,674,458</u>
Interest receivable and similar income		193,580	161,179
Interest payable and similar charges	6	(28,956)	(28,695)
Profit on ordinary activities before taxation		<u>682,673</u>	<u>1,806,942</u>
Tax on profit on ordinary activities	7	(116,792)	(572,873)
Profit on ordinary activities after taxation		<u>565,881</u>	<u>1,234,069</u>
Retained profit brought forward		8,172,899	6,938,830
Retained profit carried forward		<u><u>8,738,780</u></u>	<u><u>8,172,899</u></u>

Turnover and operating profit derive wholly from continuing operations.

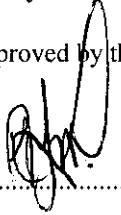
The company has no recognised gains or losses other than the profit for the year.

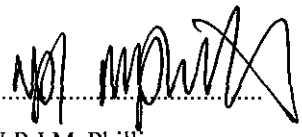
The notes on pages 9 to 21 form an integral part of these financial statements.

McPhillips (Holdings) Limited
Consolidated Balance Sheet as at 30 September 2005

		2005	2004
	Note	£	£
Fixed assets			
Tangible assets	8	3,710,615	4,026,220
Current assets			
Stocks	10	572,629	1,663,496
Debtors	11	6,142,229	5,396,382
Cash at bank and in hand		5,190,313	4,659,339
		<u>11,905,171</u>	<u>11,719,217</u>
Creditors: Amounts falling due within one year	12	<u>(6,614,742)</u>	<u>(7,225,755)</u>
Net current assets		<u>5,290,429</u>	<u>4,493,462</u>
Total assets less current liabilities		9,001,044	8,519,682
Creditors: Amounts falling due after more than one year	13	(114,264)	(281,783)
Provisions for liabilities	15	<u>(143,000)</u>	<u>(60,000)</u>
Net assets		<u><u>8,743,780</u></u>	<u><u>8,177,899</u></u>
Capital and reserves			
Called up share capital	16	5,000	5,000
Profit and loss account		<u>8,738,780</u>	<u>8,172,899</u>
Equity shareholders' funds		<u><u>8,743,780</u></u>	<u><u>8,177,899</u></u>

Approved by the Board on 27.9.06 and signed on its behalf by:


 P F J McPhillips
 Director

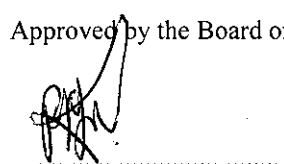

 N P J McPhillips
 Director

The notes on pages 9 to 21 form an integral part of these financial statements.

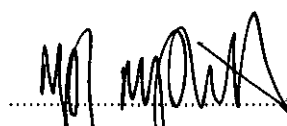
McPhillips (Holdings) Limited
Company Balance Sheet as at 30 September 2005

		2005	2004
	Note	£	£
Fixed assets			
Tangible assets	8	1,465,766	1,489,931
Investments	9	<u>5,000</u>	<u>5,000</u>
		1,470,766	1,494,931
Current assets			
Debtors	11	883,728	34,057
Cash at bank and in hand		<u>766,143</u>	<u>75,142</u>
		1,649,871	109,199
Creditors: Amounts falling due within one year	12	<u>(874,885)</u>	<u>(49,638)</u>
Net current assets		<u>774,986</u>	<u>59,561</u>
Total assets less current liabilities		<u>2,245,752</u>	<u>1,554,492</u>
Net assets		<u>2,245,752</u>	<u>1,554,492</u>
Capital and reserves			
Called up share capital	16	5,000	5,000
Profit and loss account		<u>2,240,752</u>	<u>1,549,492</u>
Equity shareholders' funds		<u>2,245,752</u>	<u>1,554,492</u>

Approved by the Board on 27.10.2006 and signed on its behalf by:



P F J McPhillips
Director



N P J McPhillips
Director

The notes on pages 9 to 21 form an integral part of these financial statements.

McPhillips (Holdings) Limited

Consolidated Cash Flow Statement for the Year Ended 30 September 2005

		2005	2004
	Note	£	£
Net cash flow from operating activities	19	1,443,612	3,625,950
Returns on investment and servicing of financing	20	164,624	132,484
Taxation paid		(588,134)	(981,595)
Capital expenditure and financial investment	20	(342,631)	(926,789)
Cash inflow before management of liquid resources and financing		677,471	1,850,050
Financing	20	(146,497)	-
Net cash flow		530,974	1,850,050

Non-cash transaction

During the year the group entered into finance lease arrangements in respect of assets with a capital value at the inception of the lease of £121,966.

Reconciliation of net cash flow to movement in net debt

		2005	2004
	Note	£	£
Increase in cash in the year	21	530,974	1,850,050
Cash inflow from decrease in liquid resources		146,497	-
Change in net debt resulting from cash flows		677,471	1,850,050
New finance leases		(121,966)	(112,985)
Movement in net debt in the period		555,505	1,737,065
Net funds at the start of the year	21	3,990,627	2,253,562
Net funds at the end of the year	21	4,546,132	3,990,627

The notes on pages 9 to 21 form an integral part of these financial statements.

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

1 Accounting policies

Basis of preparation

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

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 30 September 2005.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account. Its profit for the financial year was £691,260 (2004 - £1,549,492).

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers.

Turnover and profit are recognised in the profit and loss account upon the making of an application for payment. Where turnover exceeds payments on accounts an "amounts recoverable on contracts " is established and separately disclosed within debtors.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Freehold buildings	2% straight line basis
Plant and machinery	12.5% straight line basis
Fixtures and fittings	10-25% straight line basis
Motor vehicles	25% straight line basis

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Long-term contracts

Long term contract balances classified under the balance sheet heading of "Debtors" are stated at total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

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Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

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

Pensions

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The whole of the turnover is attributable to the principal activity of civil engineering contractors and arose within the United Kingdom.

3 Operating profit

Operating profit is stated after charging:

	2005 £	2004 £
Hire of other assets (Operating leases)	2,613,385	2,469,903
Auditors' remuneration - audit services		
Company	-	-
Group	15,000	15,000
Auditors' remuneration - non audit services		
Company	-	-
Group	4,400	1,425
Loss/(profit) on sale of tangible fixed assets	4,219	(404)
Depreciation of tangible fixed assets	775,983	774,975

Auditors' remuneration for the company is borne by the subsidiary undertaking.

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

4 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	2005 No.	2004 No.
Office and management	63	65
Site and other workers	184	189
	<u>247</u>	<u>254</u>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	6,631,775	6,142,009
Social security	708,887	570,375
Other pension costs	289,993	692,406
	<u>7,630,655</u>	<u>7,404,790</u>

5 Directors' emoluments

The directors' emoluments for the year are as follows:

	2005 £	2004 £
Directors' pension contributions	9,188	435,832
Directors' emoluments (including benefits in kind)	343,549	310,478
	<u>352,737</u>	<u>746,310</u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows:

	2005 No.	2004 No.
Money purchase	<u>1</u>	<u>2</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £171,031 (30 September 2004 - £160,442) , and company pension contributions of £9,188 (30 September 2004 - £217,916) were made to a money purchase scheme on their behalf.

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

6 Interest payable and similar charges

	2005 £	2004 £
Hire purchase interest	<u>28,956</u>	<u>28,695</u>

7 Taxation

Analysis of current period tax charge

	2005 £	2004 £
Current tax		
Corporation tax charge	70,000	719,000
(Over)/under provision in previous year	<u>(36,208)</u>	<u>(4,127)</u>
UK Corporation tax	<u>33,792</u>	<u>714,873</u>
Deferred tax		
Origination and reversal of timing differences	<u>83,000</u>	<u>(142,000)</u>
Total tax on profit on ordinary activities	<u>116,792</u>	<u>572,873</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (26 January 2004 to 30 September 2004 - higher than) the standard rate of corporation tax in the UK of 30.00% (26 January 2004 to 30 September 2004 - 30.00%).

The differences are reconciled below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>682,673</u>	<u>1,806,942</u>
Standard rate corporation tax charge	204,802	542,083
Expenses not deductible for tax purposes (including goods)	(129,571)	192,590
Capital allowances in excess of depreciation	26,117	(5,738)
Charges on income	-	(8,566)
Marginal relief	(31,348)	(1,369)
Adjustments in respect of prior years	<u>(36,208)</u>	<u>(4,127)</u>
Total current tax for the year	<u>33,792</u>	<u>714,873</u>

McPhillips (Holdings) Limited
Notes to the Financial Statements for the Year Ended 30 September 2005

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Factors which may affect future tax charges

There were no factors that may affect future tax charges.

Deferred tax

Deferred tax is provided at 30.00% (26 January 2004 to 30 September 2004 - 30.00%).

	2005 £	2004 £
Accelerated capital allowances	<u>143,000</u>	<u>60,000</u>

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

8 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
As at 1					
October 2004	1,257,865	3,721,830	440,406	1,758,252	7,178,353
Additions	-	366,263	2,354	245,403	614,020
Disposals	-	(349,833)	-	(243,668)	(593,501)
As at 30					
September 2005	1,257,865	3,738,260	442,760	1,759,987	7,198,872
Depreciation					
As at 1					
October 2004	266,107	1,567,460	371,787	946,779	3,152,133
Eliminated on disposals	-	(231,384)	-	(208,475)	(439,859)
Charge for the year	20,308	389,800	21,140	344,735	775,983
As at 30					
September 2005	286,415	1,725,876	392,927	1,083,039	3,488,257
Net book value					
As at 30					
September 2005	971,450	2,012,384	49,833	676,948	3,710,615
As at 30					
September 2004	991,758	2,154,370	68,619	811,473	4,026,220

Freehold land and buildings

The gross book value of freehold land and buildings includes £1,013,261 (2004 - £1,013,261) of depreciable assets.

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £1,254,065 (30 September 2004 - £1,602,347) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £211,359 (30 September 2004 - £171,037).

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

Company

	Freehold land and buildings £
Cost	
As at 1 October 2004 and 30 September 2005	<u>1,500,000</u>
Depreciation	
As at 1 October 2004	10,069
Charge for the year	<u>24,165</u>
As at 30 September 2005	<u>34,234</u>
Net book value	
As at 30 September 2005	<u>1,465,766</u>
As at 30 September 2004	<u>1,489,931</u>

Freehold land and buildings

The gross book value of freehold land and buildings includes £1,208,250 of depreciable assets (2004 £1,208,250).

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

9 Fixed asset investments

Company

Group shares
£

Cost

As at 1 October 2004 and 30 September 2005

5,000

Net book value

As at 30 September 2005

5,000

As at 30 September 2004

5,000

The company holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%	Year end
Subsidiary undertakings					
McPhillips (Wellington) Limited	England	Civil engineering contractors	Ordinary	100	30 September 2005

10 Stocks and work in progress

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Raw materials	243,983	179,799	-	-
Work in progress	328,646	1,483,697	-	-
	<u>572,629</u>	<u>1,663,496</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

11 Debtors

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	634,812	681,906	-	-
Amounts owed by group undertakings	-	-	-	34,057
Amounts recoverable on long term contracts	5,019,385	4,340,700	801,225	-
Other debtors	271,139	248,401	82,503	-
Prepayments and accrued income	216,893	125,375	-	-
	<u>6,142,229</u>	<u>5,396,382</u>	<u>883,728</u>	<u>34,057</u>

12 Creditors: Amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	250,000	-	250,000	-
Obligations under finance leases and hire purchase contracts	279,917	386,929	-	-
Trade creditors	4,694,730	4,755,658	-	-
Amounts owed to group undertakings	-	-	387,226	-
Corporation tax	-	313,278	30,000	19,000
Social security and other taxes	251,328	190,191	27,964	10,300
Other creditors	420,195	452,600	195	7,838
Accruals and deferred income	718,572	1,127,099	179,500	12,500
	<u>6,614,742</u>	<u>7,225,755</u>	<u>874,885</u>	<u>49,638</u>

13 Creditors: Amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>114,264</u>	<u>281,783</u>	<u>-</u>	<u>-</u>

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

14 Maturity of borrowings

Group

Amounts repayable:

	Bank loans & overdrafts £	Obligations under finance leases and HP contracts £	Total £
As at 30 September 2005			
In one year or less on demand	250,000	279,917	529,917
Between one and two years	-	107,140	107,140
Between two and five years	-	7,124	7,124
	<u>250,000</u>	<u>394,181</u>	<u>644,181</u>
As at 30 September 2004			
In one year or less on demand	-	386,929	386,929
Between one and two years	-	226,253	226,253
Between two and five years	-	55,530	55,530
	<u>-</u>	<u>668,712</u>	<u>668,712</u>

Company

Amounts repayable:

	Bank loans & overdrafts £
As at 30 September 2005	
In one year or less on demand	250,000
	<u>250,000</u>

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

15 Provisions for liabilities

Group

	Deferred tax provision £
As at 1 October 2004	60,000
Deferred tax provision charged to the profit and loss account	83,000
As at 30 September 2005	<u>143,000</u>

16 Share capital

	2005 £	2004 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

17 Reconciliation of movements in shareholders' funds

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Profit attributable to members of the company	<u>565,881</u>	<u>1,234,069</u>	<u>691,260</u>	<u>1,549,492</u>
	565,881	1,234,069	691,260	1,549,492
New share capital subscribed	-	-	-	5,000
Net addition to shareholders' funds	<u>565,881</u>	<u>1,234,069</u>	<u>691,260</u>	<u>1,554,492</u>
Opening equity shareholders' funds	<u>8,177,899</u>	<u>6,943,830</u>	<u>1,554,492</u>	-
Closing equity shareholders' funds	<u>8,743,780</u>	<u>8,177,899</u>	<u>2,245,752</u>	<u>1,554,492</u>

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

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18 Pension schemes

The group operates a defined contribution scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £289,993 (2004 £692,406). There were £nil contributions payable to the scheme at the balance sheet date (2004 £421,500).

19 Reconciliation of operating profit to operating cash flows

	2005	2004
	£	£
Operating Profit	518,049	1,674,458
Depreciation, amortisation and impairment charges	775,983	774,975
Loss/(Profit) on disposal of fixed assets	4,219	(404)
Decrease/(Increase) in stocks	1,090,867	(1,133,672)
(Increase)/Decrease in debtors	(504,783)	1,803,213
(Decrease)/Increase in creditors	(440,723)	507,380
Net cash inflow from operating activities	1,443,612	3,625,950

20 Analysis of cash flows

	2005	2004
	£	£
Returns on investment and servicing of financing		
HP interest paid	(28,956)	(28,695)
Interest received	193,580	161,179
	164,624	132,484
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(492,054)	(1,167,459)
Sale of tangible fixed assets	149,423	240,670
	(342,631)	(926,789)
Financing		
Increase in loans and borrowings	250,000	-
Capital element of hire purchase payments	(396,497)	-
	(146,497)	-

McPhillips (Holdings) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

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21 Analysis of net funds

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	4,659,339	530,974	-	5,190,313
Debt due within one year	-	(250,000)	-	(250,000)
Debt due after one year	-	-	-	-
Finance leases	(668,712)	396,497	(121,966)	(394,181)
Change in debt	<u>(668,712)</u>	<u>146,497</u>	<u>(121,966)</u>	<u>(644,181)</u>
Net funds	<u><u>3,990,627</u></u>	<u><u>677,471</u></u>	<u><u>(121,966)</u></u>	<u><u>4,546,132</u></u>

22 Related parties

Controlling entity

The company is controlled by the directors who own 99.96 % of the called up share capital.

Related party transactions

The following directors of McPhillips (Holdings) Limited control 100% of the called up share capital of McPhillips Estates Limited:

N P J McPhillips
P F J McPhillips

During the year McPhillips (Wellington) Limited constructed factory units for McPhillips Estates Limited to the value of £300,000.

At 30 September 2005 McPhillips (Wellington) Limited was owed £12,925 (2004 - £Nil) for remedial works, by McPhillips Estates Limited.

This work was carried out as an arm's length transaction on normal commercial terms.