

REGISTERED NUMBER: 03718466 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
FOR
J P DUNN CONSTRUCTION LIMITED**

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for the Year Ended 31 March 2011

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J P DUNN CONSTRUCTION LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2011

DIRECTORS:

J P Dunn
D P O'Brien
S Hart
M Durie

SECRETARY:

O M Dunn

REGISTERED OFFICE:

48 The Green
Twickenham
Middlesex
TW2 5AB

REGISTERED NUMBER:

03718466 (England and Wales)

AUDITORS:

Target
Chartered Accountants
Statutory Auditor
14th Floor
76 Shoe Lane
London
EC4A 3JB

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2011**

The directors present their report with the financial statements of the company for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of groundwork in the construction industry.

REVIEW OF BUSINESS

The results for the year were excellent, particularly considering the backdrop of difficult market conditions being experienced by the construction industry throughout the year. Company turnover increased by 17% and operating profit has doubled. The operating side of the business retained a sharp focus on cost reduction and efficiencies to allow this margin to be achieved and despite the increase in turnover the administrative expenses for the business were substantially unaltered.

For the year ahead the company will see another significant increase in turnover which is projected to rise to the order of £22 million per annum. Nearly this entire total comprises the value of work already secured, and negotiations are advanced on a series of other long term projects.

The company continues to deliver projects on time, safely, and to a high level of quality resulting in repeat work with key major clients such as Wates Construction, McLaren Construction, Carillion, BAM, May Gurney, Kinglerlee, John Sisk and Son Ltd and Barratts, and as such is well positioned to take advantage of any market upturn.

DIVIDENDS

An interim dividend of £1.80 per share was paid on 31 March 2011. The directors recommend that no final dividend be paid.

The total distribution of dividends in the year ended 31 March 2011 was £202,062.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

J P Dunn
D P O'Brien
S Hart
M Durie

FINANCIAL INSTRUMENTS

Liquidity risk

The company manages its cash requirements in order to maximise interest income, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to cash flow interest risk on floating rate deposits. The company uses regular reviews of cash balances to reduce its exposure to changes in interest rates.

Credit risk

Investments of cash surpluses are made through banks which must fulfil credit rating criteria approved by the Board. All of the Company's client who wish to trade on credit terms are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2011**

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.

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, Target, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
O M Dunn - Secretary

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
J P DUNN CONSTRUCTION LIMITED**

We have audited the financial statements of J P Dunn Construction Limited for the year ended 31 March 2011 on pages five to fourteen. 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 pages two and three, 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 31 March 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.

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.

Simon MacDonald (Senior Statutory Auditor)
for and on behalf of Target
Chartered Accountants
Statutory Auditor
14th Floor
76 Shoe Lane
London
EC4A 3JB

Date:

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2011

| | Notes | 31.3.11 £ | 31.3.10 £ |
|--|-------|--------------|--------------|
| TURNOVER | | 15,413,566 | 13,118,129 |
| Cost of sales | | 13,277,348 | 11,546,338 |
| GROSS PROFIT | | 2,136,218 | 1,571,791 |
| Administrative expenses | | 1,134,833 | 1,078,505 |
| | | 1,001,385 | 493,286 |
| Other operating income | | 11,371 | 11,742 |
| OPERATING PROFIT | 4 | 1,012,756 | 505,028 |
| Interest receivable and similar income | | 1,178 | 835 |
| | | 1,013,934 | 505,863 |
| Interest payable and similar charges | 5 | 1,315 | 1,155 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,012,619 | 504,708 |
| Tax on profit on ordinary activities | 6 | 111,709 | 124,229 |
| PROFIT FOR THE FINANCIAL YEAR | | 900,910 | 380,479 |

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
31 March 2011

| | Notes | 31.3.11 £ | £ | 31.3.10 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 547,131 | | 302,787 |
| Investments | 9 | | 120,659 | | - |
| | | | <u>667,790</u> | | <u>302,787</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 10 | 3,226,985 | | 2,626,173 | |
| Cash at bank and in hand | | <u>1,651,018</u> | | <u>1,010,630</u> | |
| | | 4,878,003 | | 3,636,803 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 11 | <u>3,052,039</u> | | <u>2,163,957</u> | |
| NET CURRENT ASSETS | | | <u>1,825,964</u> | | <u>1,472,846</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,493,754</u> | | <u>1,775,633</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 12 | | - | | (12,446) |
| PROVISIONS FOR LIABILITIES | 15 | | <u>(42,315)</u> | | <u>(10,596)</u> |
| NET ASSETS | | | <u><u>2,451,439</u></u> | | <u><u>1,752,591</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 16 | | 40,000 | | 40,000 |
| Profit and loss account | 17 | | <u>2,411,439</u> | | <u>1,712,591</u> |
| SHAREHOLDERS' FUNDS | 21 | | <u><u>2,451,439</u></u> | | <u><u>1,752,591</u></u> |

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
J P Dunn - Director

CASH FLOW STATEMENT
for the Year Ended 31 March 2011

| | Notes | 31.3.11 £ | £ | 31.3.10 £ | £ |
|---|-------|-----------------|------------------|-----------------|----------------|
| Net cash inflow from operating activities | 1 | | 1,356,882 | | 628,665 |
| Returns on investments and servicing of finance | 2 | | (137) | | (320) |
| Taxation | | | (121,099) | | (136,000) |
| Capital expenditure and financial investment | 2 | | (382,095) | | (33,748) |
| Equity dividends paid | | | (202,062) | | (120,000) |
| | | | <u>651,489</u> | | <u>338,597</u> |
| Financing | 2 | | (11,101) | | (9,758) |
| Increase in cash in the period | | | <u>640,388</u> | | <u>328,839</u> |
| <hr/> | | | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | | | |
| Increase in cash in the period | | 640,388 | | 328,839 | |
| Cash inflow from increase in debt and lease financing | | <u>(21,358)</u> | | <u>(23,547)</u> | |
| Change in net funds resulting from cash flows | | | <u>619,030</u> | | <u>305,292</u> |
| Movement in net funds in the period | | | 619,030 | | 305,292 |
| Net funds at 1 April | | | <u>987,083</u> | | <u>681,791</u> |
| Net funds at 31 March | | | <u>1,606,113</u> | | <u>987,083</u> |

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2011**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 31.3.11 £ | 31.3.10 £ |
|--|-------------------------|-----------------------|
| Operating profit | 1,012,756 | 505,028 |
| Depreciation charges | 82,851 | 105,369 |
| (Profit)/Loss on disposal of fixed assets | (33,300) | 9,545 |
| (Increase)/Decrease in debtors | (600,812) | 272,977 |
| Increase/(Decrease) in creditors | 895,387 | (264,254) |
| Net cash inflow from operating activities | <u><u>1,356,882</u></u> | <u><u>628,665</u></u> |

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

| | 31.3.11 £ | 31.3.10 £ |
|---|-------------------------|------------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 1,178 | 835 |
| Interest element of hire purchase payments | (1,315) | (1,155) |
| Net cash outflow for returns on investments and servicing of finance | <u><u>(137)</u></u> | <u><u>(320)</u></u> |
| Capital expenditure and financial investment | | |
| Purchase of intangible fixed assets | - | 33,305 |
| Purchase of tangible fixed assets | (395,295) | (81,343) |
| Purchase of fixed asset investments | (88,200) | - |
| Sale of tangible fixed assets | 101,400 | 14,290 |
| Net cash outflow for capital expenditure and financial investment | <u><u>(382,095)</u></u> | <u><u>(33,748)</u></u> |
| Financing | | |
| Capital repayments in year | (11,101) | (9,758) |
| Net cash outflow from financing | <u><u>(11,101)</u></u> | <u><u>(9,758)</u></u> |

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.10 £ | Cash flow £ | At 31.3.11 £ |
|-----------------------------------|-----------------------|-----------------------|-------------------------|
| Net cash: | | | |
| Cash at bank and in hand | 1,010,630 | 640,388 | 1,651,018 |
| | <u>1,010,630</u> | <u>640,388</u> | <u>1,651,018</u> |
| Debt: | | | |
| Hire purchase | (23,547) | 11,101 | (12,446) |
| Debts falling due within one year | - | (32,459) | (32,459) |
| | <u>(23,547)</u> | <u>(21,358)</u> | <u>(44,905)</u> |
| Total | <u><u>987,083</u></u> | <u><u>619,030</u></u> | <u><u>1,606,113</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2011**

1. COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which have been applied consistently (except as otherwise stated).

2. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Turnover is calculated as that contract value assigned to elements of the contract agreed with the customer as complete. Amounts receivable in respect of this turnover are classed as trade debtors as the customer has recognised the requirement to pay within reasonable terms.

Additional turnover is recognised only on contracts that are substantially complete. This additional turnover is as calculated as that proportion of total contract value which costs to date bear to total expected costs for the contract. Amounts receivable in respect of this additional turnover are classed as amounts receivable on long term contracts as no formal recognition of the requirement to pay within reasonable terms has been obtained from the customer.

The total turnover for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---------------------------|
| Plant and machinery | - 15%- 33% straight line |
| Fixtures and fittings | - 25% straight line |
| Motor vehicles | - 25% on reducing balance |

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting policies. The deferred tax balance has not been discounted.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss accounts so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Government grants

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after the provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

3. **STAFF COSTS**

| | 31.3.11 | 31.3.10 |
|-----------------------|------------------|----------------|
| | £ | £ |
| Wages and salaries | 858,259 | 864,841 |
| Social security costs | 94,653 | 90,719 |
| Other pension costs | 55,368 | 13,488 |
| | <u>1,008,280</u> | <u>969,048</u> |

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

| | 31.3.11 | 31.3.10 |
|----------------|-----------|-----------|
| Administration | 14 | 15 |
| Site workers | 7 | 7 |
| | <u>21</u> | <u>22</u> |

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

| | 31.3.11 | 31.3.10 |
|--|----------------|----------------|
| | £ | £ |
| Hire of plant and machinery | 954,984 | 976,634 |
| Other operating leases | 50,351 | 46,813 |
| Depreciation - owned assets | 82,851 | 105,369 |
| (Profit)/Loss on disposal of fixed assets | (33,300) | 9,545 |
| Auditors' remuneration | 9,250 | 8,235 |
| Auditors' remuneration for non audit work | 4,822 | 10,230 |
| | <u>310,993</u> | <u>296,238</u> |
| Directors' remuneration | 50,317 | 11,650 |
| Directors' pension contributions to money purchase schemes | - | 20,000 |
| Compensation to director for loss of office | - | - |
| | <u>118,043</u> | <u>113,087</u> |

Information regarding the highest paid director is as follows:

| | 31.3.11 | 31.3.10 |
|----------------|----------------|----------------|
| | £ | £ |
| Emoluments etc | <u>118,043</u> | <u>113,087</u> |

5. **INTEREST PAYABLE AND SIMILAR CHARGES**

| | 31.3.11 | 31.3.10 |
|---------------|--------------|--------------|
| | £ | £ |
| Hire purchase | <u>1,315</u> | <u>1,155</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

6. **TAXATION**

Analysis of the tax charge

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

| | 31.3.11 £ | 31.3.10 £ |
|--------------------------------------|----------------|----------------|
| Current tax: | | |
| UK corporation tax | 79,717 | 127,170 |
| Adjustment to prior years | 273 | (5,451) |
| | <u>79,990</u> | <u>121,719</u> |
| Total current tax | | |
| Deferred tax | 31,719 | 2,510 |
| | <u>111,709</u> | <u>124,229</u> |
| Tax on profit on ordinary activities | | |

UK corporation tax has been charged at 28%

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:

| | 31.3.11 £ | 31.3.10 £ |
|--|------------------|----------------|
| Profit on ordinary activities before tax | <u>1,012,619</u> | <u>504,708</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%) | 283,533 | 141,318 |
| Effects of: | | |
| Non deductible expenses | (152,081) | 4,617 |
| Marginal relief | (20,017) | (17,225) |
| Capital allowances in excess of depreciation | (42,919) | (1,540) |
| Adjustments to previous periods | 11,474 | (5,451) |
| | <u>79,990</u> | <u>121,719</u> |
| Current tax charge | | |

7. **DIVIDENDS**

| | 31.3.11 £ | 31.3.10 £ |
|-----------------------------------|----------------|----------------|
| Ordinary shares shares of £1 each | | |
| Final | - | 120,000 |
| Interim | 202,062 | - |
| | <u>202,062</u> | <u>120,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

8. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|-----------------------------|----------------------------------|------------------------|----------------|
| COST | | | | |
| At 1 April 2010 | 357,612 | 39,883 | 360,652 | 758,147 |
| Additions | 233,888 | 5,595 | 155,812 | 395,295 |
| Disposals | (136,000) | - | (129,236) | (265,236) |
| At 31 March 2011 | <u>455,500</u> | <u>45,478</u> | <u>387,228</u> | <u>888,206</u> |
| DEPRECIATION | | | | |
| At 1 April 2010 | 205,909 | 29,995 | 219,456 | 455,360 |
| Charge for year | 38,301 | 4,828 | 39,722 | 82,851 |
| Eliminated on disposal | (102,000) | - | (95,136) | (197,136) |
| At 31 March 2011 | <u>142,210</u> | <u>34,823</u> | <u>164,042</u> | <u>341,075</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2011 | <u>313,290</u> | <u>10,655</u> | <u>223,186</u> | <u>547,131</u> |
| At 31 March 2010 | <u>151,703</u> | <u>9,888</u> | <u>141,196</u> | <u>302,787</u> |

Included above are assets held under finance leases or hire purchase contracts with a net book value of £20,287 (2010: £26,782), on which depreciation of £6,696 (2010: £8,927) is charged.

9. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

| | 31.3.11 £ | 31.3.10 £ |
|---------------------|----------------|--------------|
| Unlisted investment | <u>120,659</u> | <u>-</u> |

Included in unlisted investments is an amount of £88,200 relating to an interest in Big Screen Productions 17 LLP. The company's share in this investment is 0.11%. There was no financial information for the Limited Liability Partnership filed.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.11 £ | 31.3.10 £ |
|---------------------------------|------------------|------------------|
| Trade debtors | 3,033,679 | 1,968,169 |
| Amounts recoverable on contract | 135,000 | 563,107 |
| Other debtors | 54,193 | 48,809 |
| Prepayments | 4,113 | 46,088 |
| | <u>3,226,985</u> | <u>2,626,173</u> |

Amounts falling due after more than one year and included in the debtors above are £251,940 (2010: £234,105).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.11 | 31.3.10 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| Other loans (see note 13) | 32,459 | - |
| Hire purchase contracts (see note 14) | 12,446 | 11,101 |
| Trade creditors | 2,731,874 | 1,909,096 |
| Corporation tax | 79,717 | 120,826 |
| Social security and other taxes | 32,857 | 28,393 |
| Other creditors | 12,246 | 9,736 |
| Directors' current accounts | 22,274 | 2,279 |
| Accrued expenses | 128,166 | 82,526 |
| | <u>3,052,039</u> | <u>2,163,957</u> |

Other loans are secured by way of a deed of security assignment to Ingenious of the company's interest in Big Screen Productions 17 LLP.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31.3.11 | 31.3.10 |
|---------------------------------------|----------|---------------|
| | £ | £ |
| Hire purchase contracts (see note 14) | - | 12,446 |
| | <u>-</u> | <u>12,446</u> |

13. LOANS

An analysis of the maturity of loans is given below:

| | 31.3.11 | 31.3.10 |
|---|---------------|----------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Other loans | 32,459 | - |
| | <u>32,459</u> | <u>-</u> |

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

| | 31.3.11 | 31.3.10 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 12,446 | 11,101 |
| Between one and five years | - | 12,446 |
| | <u>12,446</u> | <u>23,547</u> |

The following operating lease payments are committed to be paid under a non-cancellable operating lease within one year:

| | 31.3.11 | 31.3.10 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Expiring: | | |
| In more than five years | 46,000 | 46,000 |
| | <u>46,000</u> | <u>46,000</u> |

15. PROVISIONS FOR LIABILITIES

| | 31.3.11 | 31.3.10 |
|--------------|---------------|---------------|
| | £ | £ |
| Deferred tax | 42,315 | 10,596 |
| | <u>42,315</u> | <u>10,596</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2011

15. PROVISIONS FOR LIABILITIES - continued

| | |
|--------------------------|----------------------|
| | Deferred tax £ |
| Balance at 1 April 2010 | 10,596 |
| Deferred tax charge | 31,719 |
| | <u>42,315</u> |
| Balance at 31 March 2011 | <u>42,315</u> |

16. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|-----------------|---------|---------------|---------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal | 31.3.11 | 31.3.10 |
| | | value: | £ | £ |
| 40,000 | Ordinary shares | £1 | <u>40,000</u> | <u>40,000</u> |

17. RESERVES

| | |
|---------------------|------------------------------------|
| | Profit and loss account £ |
| At 1 April 2010 | 1,712,591 |
| Profit for the year | 900,910 |
| Dividends | (202,062) |
| | <u>2,411,439</u> |
| At 31 March 2011 | <u>2,411,439</u> |

18. PENSION COMMITMENTS

Contributions payable by the company during the year are £52,942 (2010: £13,488).

19. TRANSACTIONS WITH DIRECTORS

During the year Mr J P Dunn, being owner of the premises occupied by the company, charged rent to the company of £46,000 (2010 - £46,000).

At 31 March an amount of £20,113 (2010 - £1,079) was owed by the company to Mr J P Dunn and Mrs O M Dunn jointly and £2,163 (2010 - £1,200) was owed by the company to Mr M Durie. These amounts are payable on demand and no interest is accruing on them.

During the year dividends of £130,000 (2010 - £120,000) were paid to directors.

20. ULTIMATE CONTROLLING PARTY

Mr J P Dunn and Mrs O M Dunn are the ultimate controlling parties of the company by virtue of their share holdings.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | | |
|--|------------------|------------------|
| | 31.3.11 £ | 31.3.10 £ |
| Profit for the financial year | 900,910 | 380,479 |
| Dividends | (202,062) | (120,000) |
| | <u>698,848</u> | <u>260,479</u> |
| Net addition to shareholders' funds | | |
| Opening shareholders' funds | 1,752,591 | 1,492,112 |
| | <u>2,451,439</u> | <u>1,752,591</u> |
| Closing shareholders' funds | | |