



Financial Statements for the Period Ended 31 March 2008

Registered Number: 3375630

Prepared by Accounts Dept

Longcross Limited

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1.0 Document Control

1.1 Document Status

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2.0 Officers and Advisors

2.1 Directors

J Beament, M English, G Earle

2.2 Secretary

M English

2.3 Registered Office

107 Hindes Road, Harrow, Middlesex, HA1 1RU

2.4 Registered Number

3375630

2.5 Auditors

Hill Wooldridge & Co. Limited, 107 Hindes Road, Harrow, Middlesex, HA1 1RU

2.6 Solicitors

Barlow Robins, Guildford House, 66 Guildford Street, Chertsey, Surrey, KT16 9BB

3.0 Chairman's Statement

REVIEW

I am delighted to report that the past year has once again been both eventful and successful for the Company.

We have seen significant growth in terms of turnover and profitability for both the Company and its associate companies.

Company turnover has increased from £100 Million to £140 Million, an increase of 38%. The Company turnover combined with its associate companies has risen to £185 Million.

Net Profit for the Company has increased by 24% to £1,921,766.

Our property asset base remains strong with our freehold offices at Ashtead, Sheffield and Sidcup.

Our new trading year has started well in terms of secured orders, however we are fully aware that the UK economy is about to enter into what could prove to be a severe downturn which looks likely to be part of a global recession.

We have a robust strategy in place, with key objectives to combat the challenges that we will need to address and we remain confident and optimistic for the future.

OUR CLIENTS

Although we are continually developing new clients, the key driver for us will be to continue to work hard to ensure that we deliver a first class service to our existing clients with whom we enjoy a strong relationship.

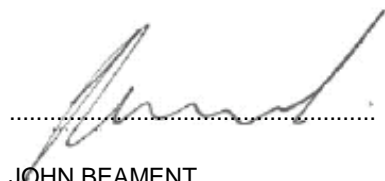
We are committed to work closely with these clients to add real value in terms of cost, new ideas and innovation, and to strive for continuous improvement in order to exceed their full expectations.

OUR STAFF

Businesses are successful because of the quality of people that work for them. We are no exception to this rule and we are fortunate to have a very good contingent of staff and employees.

We remain committed to ensuring that our staff are provided with excellent working conditions, are treated very fairly and are provided with the means and opportunities to fully develop their skills.

I would like to thank our clients for their continued and valued support and our staff for their loyalty, hard work and dedication in helping us to achieve our objectives.


.....

Date: 31st March 2008

JOHN BEAMENT

CHAIRMAN and MANAGING DIRECTOR

4.0 Director's Report

The directors present their report with the financial statements of the company for the year ended 31 March 2006.

4.1 Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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). The financial statements are required by law to 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 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 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.

4.2 Principal Activities

The principal activities of the company throughout the year continued to be those of the management of construction projects and engineering services to all sectors of the community.

4.3 Review of Business

The results for the year and financial position of the company are as shown in the annexed financial statements.

The results for the year and the financial position at the year end are considered satisfactory by the directors.

The directors are pleased to report an increase in profitability but expect market conditions to be difficult as we enter a downturn in the economy. Despite this, we remain confident and optimistic.

The company strongly believes in training and investing in employees to keep up with the modern techniques which are required to deliver results and fulfil our contractual obligations. A programme of training courses has been developed and is constantly reviewed to keep up with changing technology in order to achieve this and to maximise the company's operating efficiency.

The company continues to perform well and achieve good returns in this competitive industry. The directors strive to maintain this performance and are pleased to report the net worth of the balance sheet to be in excess of £7 Million.

4.4 Principal Risks and Uncertainties

The principal risks faced by the company are the general slowdown and uncertainties in the UK economy. However the business has a robust strategy and clear objectives to meet the challenges ahead.

4.5 Key Performance Indicators

Management monitor the performance of operations compared to budgeted figures and projections.

Key performance indicators monitored on a daily basis are:

- Contract volume and value
- Contract margins
- Quality of the works completed
- Contract progress and completion estimates

Key performance indicators monitored on a weekly/monthly basis are:

- Contract returns and cash generation
- Cash flow forecasts
- Labour and subcontractor costs
- Health and safety reviews
- Forward team planning and staff utilisation

The company's turnover has increased to £139,198,925 compared to the previous year of £100,644,858 which equates to a 38% increase in turnover.

Gross profit for the financial year is £14,132,150 compared to £11,532,066 in 2007. Although an increase in value, the gross profit margin of 10.15% has declined slightly compared to the gross profit margin of 11.5% in 2007.

Profit before tax for the financial year is £1,921,766 compared to £1,545,889 in 2007 and this is a significant increase of 24%.

The Balance Sheet remains strong at over £7 Million of net worth after taking into account an impairment of the company's freehold properties.

4.6 Future Developments

The directors are confident about the long term prospects of the company, which is well established and focused on delivering a good quality service with an intrinsic value.

The order book going forward into the financial year 2009/10 is currently showing 60% of the current level of activity as secured works.

4.7 Employees

The company appreciates the mutual benefits of keeping employees informed and takes appropriate steps to ensure that they are kept aware of matters which concern them.

A quarterly employee consultative forum meeting is organised to make all employees aware of their entitlement and company adherence.

The company operates an Employee Loyalty incentive scheme to reward long term continuous employment.

4.8 Disabled Employees

The company recognises its obligation towards employment of disabled persons and gives full and fair consideration to suitable applicants.

It is company policy that training, career development and promotion of disabled employees should as far as possible be identical to that of other employees.

4.9 Fixed Assets

In the opinion of the directors, the market value of freehold land and buildings was not significantly different from book value.

4.10 Dividends

An interim dividend of £30 per share was paid on 9 January 2008. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2008 will be £150,000.

4.11 Directors

The directors shown below have held office during the whole of the period from 1 April 2007 to the date of this report.

J E Beament

M K English

G R Earle

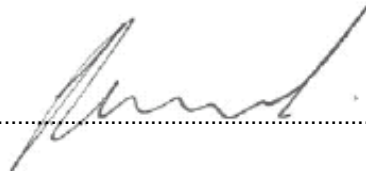
4.12 Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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.

4.13 Auditors

The auditors, Hill Wooldridge & Co. Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....

J E Beament – Director

Date:

5.0 Auditors Report

We have audited the financial statements of Longcross Group Limited for the year ended 31 March 2008 on pages seven to twenty. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

5.1 Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on page four.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

5.2 Basis of 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.

5.3 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 31 March 2008 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 Report of the Directors is consistent with the financial statements.

Hill Wooldridge & Co. Limited

Registered Auditors

107 Hindes Road

Harrow

Middlesex

HA1 1RU

Date:

6.0 Profit And Loss Account

	Note	Year Ended 31 March 2008	Year Ended 31 March 2007
		£	£
TURNOVER		139,198,925	100,644,858
Cost of sales		<u>125,066,775</u>	<u>89,112,792</u>
GROSS PROFIT		14,132,150	11,532,066
Administrative expenses		<u>12,881,073</u>	<u>10,167,442</u>
		1,251,077	1,364,624
Other operating income		<u>1,031,730</u>	<u>539,415</u>
OPERATING PROFIT	3	2,282,807	1,904,039
Interest receivable and similar income		<u>131,949</u>	<u>7,487</u>
		2,414,756	1,911,526
Interest payable and similar charges	4	<u>492,990</u>	<u>365,637</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,921,766	1,545,889
Tax on profit on ordinary activities	5	<u>670,420</u>	<u>610,815</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>1,251,346</u>	<u>935,074</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

7.0 Statement of Total Recognised Gains and Losses

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
PROFIT FOR THE FINANCIAL YEAR	1,251,346	935,074
Unrealised surplus on revaluation of freehold properties	-	2,608,813
Unrealised deficit on impairment of freehold properties	<u>(161,773)</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>1,089,573</u>	<u>3,543,887</u>

Note of Historical Cost Profits and Losses for the Year Ended 31 March 2008

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
REPORTED PROFIT ON ORDINART ACTIVITIES BEFORE TAXATION	1,921,766	1,545,889
Difference between historical cost depreciation and revalued depreciation	<u>60,125</u>	<u>11,819</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1,981,891</u>	<u>1,557,708</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	<u>1,161,471</u>	<u>496,893</u>

8.0 Balance Sheet at 31 March 2008

	Note	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		8,537,353		8,703,186
CURRENT ASSETS					
Stocks	8	2,147,034		4,635,730	
Debtors	9	36,439,182		22,372,624	
Cash at bank and in hand		19,616		10,138	
		<u>38,605,832</u>		<u>27,018,492</u>	
CREDITORS					
Amounts falling due within one year	10	37,580,081		(26,657,677)	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			<u>1,025,751</u>		<u>360,815</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					<u>9,064,001</u>
CREDITORS					
Amount falling due after more than a year	11		2,534,739		(2,975,209)
			<u> </u>		<u> </u>
NET ASSETS			<u>7,028,365</u>		<u>6,088,792</u>
CAPITAL AND RESERVES					
Called up share capital	15		5,000		5,000
Revaluation reserve	16		2,966,071		3,187,969
Profit and loss account	17		4,057,294		2,895,823
			<u> </u>		<u> </u>
SHAREHOLDERS' FUNDS	18		<u>7,028,365</u>		<u>6,088,792</u>

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

.....
 J E BEAMENT - DIRECTOR

9.0 Cash Flow Statement

	Note	Year Ended 31 March 2008		Year Ended 31 March 2007
	£	£	£	£
NET CASH INFLOW FROM				
OPERATING ACTIVITIES	1	2,148,328		2,711,510
RETURNS ON INVESTMENTS AND				
SERVICING OF FINANCE	2	(361,041)		(358,150)
TAXATION		(589,257)		(237,488)
CAPITAL EXPENDITURE	2	(329,092)		(1,390,693)
LOAN FROM ASSOC. COMPANY REPAID		2,000,000		-
EQUITY DIVIDENDS PAID		(150,000)		(450,000)
		<u>718,938</u>		<u>275,179</u>
FINANCING	2	(2,418,402)		2,362,267
(DECREASE) INCREASE IN CASH		<u>(1,699,464)</u>		<u>2,637,466</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT TO NET DEBT	3			
(Decrease)/Increase in cash in the period		(1,699,464)	2,637,446	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>2,418,402</u>	<u>(2,362,267)</u>	
Change in net debt resulting from cash flows		<u>718,938</u>		<u>275,179</u>
MOVEMENT IN NET DEBT IN THE PERIOD		718,938		275,179
NET DEBT AT 1 APRIL		<u>(7,950,711)</u>		<u>(8,225,950)</u>
NET DEBT AT 31 MARCH		<u>(7,231,833)</u>		<u>(7,950,711)</u>

10.0 Notes to the Cash Flow Statement

10.1 Reconciliation of Operating Profit to Net Cash Inflow From Operating Activities

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Operating profit	2,282,807	1,904,039
Depreciation Charges	265,875	223,925
Loss on disposal of fixed assets	54,976	75,090
Decrease in stock	2,488,696	2,506,363
Increase in debtors	(14,033,016)	(742,920)
Increase/(Decrease) in creditors	<u>11,088,990</u>	<u>(1,254,987)</u>
Net cash inflow from operating activities	<u>2,148,328</u>	<u>2,711,510</u>

10.2 Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Returns on investments and servicing of finance		
Interest received	131,949	7,487
Interest paid	(492,990)	(364,554)
Interest element of hire purchase payment	<u>-</u>	<u>(1,083)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(361,041)</u>	<u>(358,150)</u>
Capital expenditure		
Purchase of tangible fixed assets	(331,442)	(1,402,053)
Sale of tangible fixed assets	<u>2,350</u>	<u>11,360</u>
Net cash outflow for capital expenditure	<u>(329,092)</u>	<u>(1,390,693)</u>
Financing		
New loans in year	-	2,396,807
Loan repayments in year	(2,415,637)	-
Capital repayments in year	<u>(2,765)</u>	<u>(34,540)</u>
Net Cash (outflow)/inflow from financing	<u>(2,418,402)</u>	<u>2,352,267</u>

10.3 Analysis of Changes in Net Debt

	At 1.4.07	Cash flow	At 31.3.08
	£	£	£
Net cash:			
Cash at bank and in hand	10,138	9,478	19,616
Bank overdrafts	<u>(2,808,846)</u>	<u>(1,708,942)</u>	<u>(4,517,788)</u>
	<u>(2,798,708)</u>	<u>(1,699,464)</u>	<u>(4,498,172)</u>
Debt:			
Hire Purchase	(2,765)	2,765	-
Debts falling due within one year	(2,174,089)	1,975,167	(198,922)
Debts falling due after one year	<u>(2,975,209)</u>	<u>440,470</u>	<u>(2,534,739)</u>
	<u>(5,152,063)</u>	<u>2,418,402</u>	<u>(2,733,661)</u>
Total	<u>(7,950,771)</u>	<u>718,938</u>	<u>(7,231,833)</u>

11.0 Notes to the Accounts

11.1 Accounting Policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards.

11.1.1 Turnover

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

11.1.2 Tangible fixed assets

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

Freehold buildings	-	2% on cost or revalued amount
Plant and machinery	-	25% on reducing balance
Fixtures and fittings	-	33% on reducing balance
Motor vehicles	-	25% on reducing balance
Computer equipment	-	33% on reducing balance

11.1.3 Stocks

Stocks and work in progress have been valued at the lower of cost and net realisable value.

Cost is determined on a first in first out valuation basis.

11.1.4 Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

11.1.5 Hire Purchase and leasing commitments

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

11.1.6 Pension Costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

11.1.7 Long Term Contracts

Turnover on long term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long term contract balances in stock.

11.2 Staff Costs

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Wages and Salaries	12,440,688	11,291,788
Social security costs	916,453	651,497
Other pension costs	<u>448,823</u>	<u>437,714</u>
	<u>13,805,964</u>	<u>12,380,999</u>

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

Management and administration	215	252
Site workforce	<u>81</u>	<u>96</u>
	<u>296</u>	<u>348</u>

11.3 Operating Profit

The operating profit is stated after charging:

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Hire of plant and machinery	2,085,672	1,068,107
Other operating leases	482,899	418,687
Depreciation – owned assets	265,875	223,925
Loss of disposal of fixed assets	54,976	75,090
Auditor's remuneration	<u>15,000</u>	<u>15,000</u>
Directors' emoluments	114,000	450,000
Directors' pension contributions to money purchase scheme	<u>148,800</u>	<u>127,900</u>

The number of directors to whom retirement benefits were accruing as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

11.4 Interest Payable and Similar Charges

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Bank Loan interest	465,135	364,535
Interest on overdue tax	27,855	19
Hire purchase	<u>-</u>	<u>1,083</u>
	<u>492,990</u>	<u>365,637</u>

11.5 Taxation

Analysis of the tax charge

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

	Year Ended 31 March 2008	18 Months 31 March 2007
	£	£
Current tax:		
UK corporation tax	690,099	587,694
Adjustment	<u>1,563</u>	<u>-</u>

Total current tax	691,662	587,694
Deferred tax	<u>(21,242)</u>	<u>23,121</u>
Tax on profit on ordinary activities	<u>670,420</u>	<u>610,815</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31 March 2008 £	18 Months 31 March 2007 £
Profit on ordinary activities before tax	<u>1,921,766</u>	<u>1,545,889</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 – 30%)	576,530	463,767
Effects of:		
Expenses not deductible for tax purposes	73,337	119,562
Capital allowances for period in deficit of depreciation	40,232	4,365
Adjustment on respect of prior period	<u>1,563</u>	<u>-</u>
Current tax charge	<u>691,662</u>	<u>587,694</u>

11.6 Dividends

	Year Ended 31 March 2008 £	Year Ended 31 March 2007 £
Ordinary shares of £1 each		
Interim	<u>15,000</u>	<u>45,000</u>

11.7 Tangible Fixed Assets

	Freehold property £	Plant and Machinery £	Fixtures and fittings £
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Cost or Valuation

At 1 April 2007	8,394,431	149,375	838,766
Additions	157,231	36,571	7,170
Disposals	-	-	(545)
Impairments	<u>(305,000)</u>	<u>-</u>	<u>-</u>
At 31 March 2008	<u>8,246,662</u>	<u>185,946</u>	<u>845,391</u>
Depreciation			
At 1 April 2007	-	122,436	752,094
Charge of year	143,227	15,878	30,943
Eliminated on disposal	-	-	(463)
Revaluation adjustments	<u>(143,227)</u>	<u>-</u>	<u>-</u>
At 31 March 2008	<u>-</u>	<u>138,314</u>	<u>782,574</u>
Net Book Value			
At 31 March 2008	<u>8,246,662</u>	<u>47,632</u>	<u>62,817</u>
At 31 March 2007	<u>8,394,431</u>	<u>26,939</u>	<u>86,672</u>
	Motor	Computer	
	insurance	Equipment	Totals
	£	£	£
Cost or Valuation			
At 1 April 2007	455,675	221,777	10,060,024
Additions	21,035	109,435	331,442
Disposals	(358,712)	(17,140)	(376,397)
Impairments	<u>-</u>	<u>-</u>	<u>(305,000)</u>
At 31 March 2008	<u>117,998</u>	<u>314,072</u>	<u>9,710,069</u>
Depreciation			
At 1 April 2007	368,112	114,197	1,356,839
Charge of year	5,477	70,350	265,875
Eliminated on disposal	(293,054)	(13,254)	(306,771)
Revaluation adjustments	<u>-</u>	<u>-</u>	<u>(143,227)</u>
At 31 March 2008	<u>80,535</u>	<u>171,293</u>	<u>1,172,716</u>

Net Book Value

At 31 March 2008	<u>37,463</u>	<u>142,779</u>	<u>8,537,353</u>
At 31 March 2007	<u>87,563</u>	<u>107,580</u>	<u>8,703,185</u>

Included in cost or valuation of land and buildings is freehold land of £1,390,274 (2007 - £1,373,989) which is not depreciated.

Included in cost or valuation of land and buildings is a property under construction with a cost of £37,857 (2007: £21,572) which is not depreciated until it is completed and brought into use.

Cost or valuation at 31 March 2008 is represented by:

	Freehold property £	Plant and Machinery £	Fixtures and fittings £
Valuation in 2004	590,962	-	-
Valuation in 2007	2,415,285	-	-
Valuation in 2008	(305,000)	-	-
Cost	<u>5,545,415</u>	<u>185,946</u>	<u>845,391</u>
	<u>8,246,662</u>	<u>185,946</u>	<u>845,391</u>

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2004	-	-	590,962
Valuation in 2007	-	-	2,415,285
Valuation in 2008	-	-	(305,00)
Cost	<u>117,998</u>	<u>314,072</u>	<u>7,008,822</u>
	<u>117,998</u>	<u>314,072</u>	<u>9,710,069</u>

If freehold properties had not been revalued they would have been included at the following historical cost:

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Cost	<u>5,545,415</u>	<u>5,388,184</u>
Aggregate depreciation	<u>264,825</u>	<u>181,722</u>
Value of land in freehold land and buildings	<u>5,280,590</u>	<u>5,206,462</u>

The company's Ashtead freehold property was valued on an open market existing use basis at £1,700,000 by Stiles Harold Williams (independent surveyors and valuers) on 18 June 2004.

The company's Sheffield freehold property was valued on an open market existing use basis at £1,050,000 by Wilbys (independent chartered surveyors) on 26 February 2004.

The directors carried out an interim review and updated the values of the freehold properties at 31 March 2007. They valued the properties as follows: Ashtead £1,955,000; Sheffield £1,750,000; Foots Cray £4,500,000.

The directors have carried out an interim review and revised the values of the freehold properties as at 31 March 2008. In light of the current economic climate and downturn in the UK property market, the directors feel that it is prudent to recognise an impairment on the value of the properties to reflect the general economic conditions. As such, they have valued the properties as follows: Ashtead £1,900,000; Sheffield £1,700,000; Foots Cray £4,440,946.

11.8 Stocks

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Stocks	161,800	150,300
Work-in-progress	<u>1,985,234</u>	<u>4,485,430</u>
	<u>2,147,034</u>	<u>4,635,730</u>

11.9 Debtors: Amount falling due within one year

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Trade debtors	22,179,563	9,492,931
Amounts recoverable on contracts	12,747,589	12,087,225
Other debtors	659,568	182,781
Deferred tax asset	49,125	27,883
Prepayment and accrued income	<u>803,337</u>	<u>581,804</u>
	<u>36,439,182</u>	<u>22,372,624</u>

11.10 Creditors: Amounts Falling due within one year

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Bank loans and overdrafts (see note 12)	4,716,710	2,982,935
Other loans (see note 12)	-	2,000,000
Hire purchase contracts (see note 13)	-	2,765
Trade creditors	22,843,556	12,224,338
Corporation tax	690,099	587,694
PAYE and NIC control	676,616	424,105
VAT	1,171,629	1,479,884
Other creditors	51,329	77,285
Net pay control	39,409	-
Director's loan accounts	118,379	118,379
Accruals and deferred income	<u>7,272,354</u>	<u>6,760,292</u>
	<u>37,580,081</u>	<u>26,657,677</u>

11.11 Creditors: Amounts falling due after more than one year

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Bank Loans (See note 12)	<u>2,534,739</u>	<u>2,975,209</u>

11.12 Loans

An analysis of the maturity of loans is given below:

	Year Ended 31 March 2008 £	Year Ended 31 March 2007 £
Amounts falling due within one year or on demand:		
Bank overdrafts	4,517,788	2,808,846
Bank loans	198,922	174,089
Other loans	-	2,000,000
	<u>4,716,710</u>	<u>4,982,935</u>
Amounts falling due between one and two years:		
Bank loans – 1-2 years	<u>213,230</u>	<u>185,933</u>
Amounts falling due between two and five years:		
Bank loans – 2-5 years	<u>430,043</u>	<u>637,197</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans – more than 5 years	<u>1,891,466</u>	<u>2,152,079</u>

11.13 Obligations under hire purchase contracts and leases

	Hire purchase contracts	
	Year Ended 31 March 2008 £	Year Ended 31 March 2007 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>2,765</u>

The following operating lease payment are committed to be paid within one year:

	Land and building		Other operating lease	
	Year Ended 31 March 2008 £	Year Ended 31 March 2007 £	Year Ended 31 March 2008 £	Year Ended 31 March 2007 £
Expiring:				
Within one year	45,640	-	248,648	30,755
Between two and five years	<u>65,640</u>	<u>65,640</u>	<u>386,265</u>	<u>292,090</u>
	<u>111,280</u>	<u>65,640</u>	<u>634,913</u>	<u>322,845</u>

11.14 Secured Debts

The following secured debts are included within creditors:

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Bank overdrafts	4,517,788	2,808,846
Bank loans	2,733,661	3,149,298
	<u>7,251,449</u>	<u>5,958,144</u>

11.15 Called up Share Capital

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal Value:	Year Ended 31 March 2008	Year Ended 31 March 2007
			£	£
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

11.16 Reserve

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 April 2007	2,895,823	3,187,969	6,083,792
Profit for the year	1,251,346		1,251,346
Dividends	(150,000)		(150,000)
Impairment of freehold properties	-	(161,773)	(161,773)
Transfer of realised Revaluation reserve	60,125	(60,125)	-
	<u>4,057,294</u>	<u>2,966,071</u>	<u>7,023,365</u>
At 31 March 2008			

11.17 Related Party Disclosures

	Sales to party	Purchases From party	Management Charges to party	Owed to party	Owed to party
2008	£	£	£	£	£
Longcross Developments Limited	-	-	-	-	4,700
Longcross Security Limited	247,794	334,490	16,834	378,841	113,817

	Sales to party	Purchases	Management	Owed to party	Owed to party
2007	£	From party	Charges to party	£	£
Longcross Building Limited	3,137,964	469,412	586,211	551,559	377,464
Longcross Developments Limited	-	-	-	70,300	-
Longcross Security Limited	-	818,643	-	82,580	127,455
Longcross Building Limited	3,478,936	78,336	300,000	-	300,000

During the prior year Longcross Building Services Limited provided the company with a loan of £2,000,000, which was repaid during the year ended 31 March 2008.

11.18 Reconciliation of Movements in Shareholders` Funds

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£	£
Profit for the financial period	1,251,346	935,074
Dividends	(150,000)	(450,000)
	<u>1,101,346</u>	<u>485,074</u>
Other recognised gains and losses relating to the year (net)	(161,773)	2,608,813
	<u>939,573</u>	<u>3,093,887</u>
Net addition to shareholders` funds	939,573	3,093,887
Opening shareholders` funds	6,088,792	2,994,905
	<u>7,028,365</u>	<u>6,088,792</u>
Closing shareholders` funds	7,028,365	6,088,792