

**CHESWORTH BROTHERS
(BUILDING CONTRACTORS) LIMITED**

COMPANY NO. 03710167

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005**



Prepared by:
LOXIA ACCOUNTANCY SERVICES

**CHESWORTH BROTHERS
(BUILDING CONTRACTORS) LIMITED**

I N D E X

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CHESWORTH BROTHERS (BUILDING CONTRACTORS) LIMITED
DIRECTORS REPORT

The directors present their Report together with the Accounts of the company for the year ended 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was building construction and renovation.

DIRECTORS

The directors of the company in office during the year and their beneficial interest in the issued share capital were as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>31/07/05</u>	<u>31/07/04</u>
P G Chesworth	12500	12500
M P Chesworth	12500	12500
K J Chesworth	12500	12500
J E Chesworth	12500	12500

DIVIDEND

Dividends amounting to £60,000 were proposed (2004 - £100,000).

DIRECTORS RESPONSIBILITIES

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

In preparing the above report, the director has taken advantage of special exemptions applicable to small companies.

BY ORDER OF THE BOARD

K J Chesworth

K J CHESWORTH, COMPANY SECRETARY

Date: 26 / 05 / 06

CHESWORTH BROTHERS (BUILDING CONTRACTORS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2005

	7. £	2004 £
SALES	848,973	991,499
Cost of Sales	<u>715,746</u>	<u>761,129</u>
GROSS PROFIT	133,227	230,370
Less Overheads	(63,888)	(79,748)
Operating Profit on Ordinary Activities before Taxation	<u>69,339</u>	<u>150,622</u>
Interest Received	4,210	2,879
	<u>73,549</u>	<u>153,501</u>
Taxation	(12,920)	(28,478)
Profit after Taxation	<u>60,629</u>	<u>125,023</u>
Dividends	(60,000)	(100,000)
Reserve brought forward	100,787	75,764
RESERVE CARRIED FORWARD	<u>£ 101,416</u>	<u>£ 100,787</u>

CONTINUING OPERATIONS

The company's activities remained the same throughout the year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains nor losses other than the profit for the above years.

CHESWORTH BROTHER (BUILDING CONTRACTORS) LIMITED
BALANCE SHEET AS AT 31 JULY 2005

	Note	2005 £	2004 £
TANGIBLE FIXED ASSETS	3	91,510	62,414
		-----	-----
CURRENT ASSETS:			
Bank balances		115,271	93,094
Stock and work in progress		7,000	298,000
Debtors	4	<u>398,424</u>	<u>182,165</u>
		<u>520,695</u>	<u>573,259</u>
Less CREDITORS:			
Trade Creditors and Accruals		151,939	127,934
Other Creditors	5	<u>308,850</u>	<u>356,952</u>
		<u>460,789</u>	<u>484,886</u>
Net Current Assets		59,906	88,373
TOTAL NET ASSETS		<u>£ 151,416</u>	<u>£ 150,787</u>
 REPRESENTED BY:			
Capital & Reserves			
Share Capital	6	50,000	50,000
Profit & Loss Reserve		101,416	100,787
Shareholders Funds	7	<u>£ 151,416</u>	<u>£ 150,787</u>

CHESWORTH BROTHERS (BUILDING CONTRACTORS) LIMITED
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2005


The Directors have taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249a(1) (total exemption) and no member has requested an audit pursuant to subsection (2) of Section 249b in relation to the accounts for the financial year ended 31 July 2005.

The Directors acknowledge their responsibility for:

- I ensuring that the company keeps accounting records which comply with Section 221; and
- II preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226, and which otherwise comply with requirements of this Act relating to accounts, so far as applicable to the company.

The Directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Approved by the Board on : 26 May 2006

P. G. 

P G CHESWORTH, DIRECTOR

The notes on pages 4-6 form an integral part of these statements.

CHESWORTH BROTHERS (BUILDING CONTRACTORS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005

1. ACCOUNTING POLICIES

Accounting Conventions

The accounts have been prepared under the historical cost convention.

Cash Flow Statement

The company has taken advantage of the exemption available per FRS 1 for small companies not to prepare a cash flow statement.

Tangible Fixed Assets

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

Motor Vehicles	- 25% of reducing balance
Furniture and Equipment	- 20% of reducing balance
Plant and Machinery	- 10% of reducing balance

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made, where appropriate, using the liability method, for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation on tangible fixed assets	13,204	10,219
Directors fees	9,520	9,320
Auditors remuneration	Nil	Nil

CHESWORTH BROTHER (BUILDING CONTRACTORS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005

3. TANGIBLE FIXED ASSETS

Cost	Plant £	Vehicles £	Office £	Total £
B/Fwd 1/8/04	70,275	37,186	3,701	111,162
Additions	<u>12,730</u>	<u>27,700</u>	<u>1,870</u>	<u>42,300</u>
C/Fwd 31/7/05	<u>83,005</u>	<u>64,886</u>	<u>5,571</u>	<u>153,462</u>
Depreciation				
B/Fwd 1/8/04	(23,239)	(23,420)	(2,089)	(48,748)
Charge for the year	<u>(5,977)</u>	<u>(6,441)</u>	<u>(786)</u>	<u>(13,204)</u>
C/Fwd 31/7/05	<u>(29,216)</u>	<u>(29,861)</u>	<u>(2,875)</u>	<u>(61,952)</u>
Net Book Value				
31/7/05	<u>53,789</u>	<u>35,025</u>	<u>2,696</u>	<u>91,510</u>
31/7/04	<u>47,036</u>	<u>13,766</u>	<u>1,612</u>	<u>62,414</u>

	2005 £	2004 £
4. DEBTORS		
Associated Company	105,750	105,750
Trade Debtors	292,674	67,387
HM Customs – VAT	-	7,609
Inland Revenue	<u>-</u>	<u>1,419</u>
	<u>398,424</u>	<u>182,165</u>
5. OTHER CREDITORS		
Inland Revenue	18,056	29,070
Directors loans	268,843	327,882
HM Customs	<u>21,951</u>	<u>-</u>
	<u>308,850</u>	<u>356,952</u>
6. SHARE CAPITAL		
Authorised:		
50,000 Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>
Issued and fully paid:		
50,000 Ordinary Shares of £1 each	<u>50,000</u>	<u>50,000</u>

CHESWORTH BROTHERS (BUILDING CONTRACTORS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005

	2005	2004
	£	£
7. SHAREHOLDERS FUNDS		
Balance B/Fwd	150,787	125,764
Add: Profit for the year	60,629	125,023
Deduct: Dividends	(60,000)	(100,000)
Closing Shareholders Funds	<u>151,416</u>	<u>150,787</u>

APPENDIX A

CHESWORTH BROTHERS (BUILDING CONTRACTORS) LIMITED

**TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2005**

	2005	2004
	£	£
SALES	848,973	991,499
Cost of Sales:		
Materials and services	720,746	757,379
Stock adjustment	<u>(5,000)</u>	<u>3,750</u>
	<u>715,746</u>	<u>761,129</u>
GROSS PROFIT	133,227	230,370
Interest Received	<u>4,210</u>	<u>2,879</u>
	137,437	233,249
Overheads:		
Clerical costs	-	1,976
Directors remuneration	9,520	9,320
Motoring	24,037	27,085
Insurance and rates	4,341	8,939
Telephone and fax	3,262	4,413
Printing, stationery, adverts	1,701	2,818
Professional fees	1,230	886
Bank charges	1,850	2,554
Other office costs	3,227	2,322
Entertaining	480	291
Depreciation	13,204	10,219
Bad debts	-	8,499
Subscriptions	336	276
Charity donations	-	150
IR interest	<u>700</u>	<u>-</u>
	<u>63,888</u>	<u>79,748</u>
NET PROFIT ON OPERATING ACTIVITIES	£ 73,549	£ 153,501