

Leck Group Limited

Directors' Report and Consolidated Financial Statements
for the Year Ended 31 July 2008

HWCA Limited
Registered Auditors
Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

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LECK GROUP LIMITED

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LECK GROUP LIMITED
COMPANY INFORMATION

Directors	V Barker C M Barker D R Barker
Secretary	G R Horsfield
Registered office	Leck House 80 Deansgate Lane Timperley Cheshire WA14 1SP
Bankers	National Westminster Bank plc PO Box No 305 Spring Gardens Manchester M60 2DB
Auditors	HWCA Limited Registered Auditors Northern Assurance Buildings 9/21 Princess Street Manchester M2 4DN

LECK GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2008

The directors present their report and the audited consolidated financial statements for the year ended 31 July 2008.

Principal activity and business review

The principal activities of the group continued to be that of building contractors, property developers and investment in property.

The group's turnover decreased by 7.6% from the previous year which was due in part to the slowdown in major contract work towards the end of the financial year. This is reflective of the caution in the industry caused by the current economic uncertainty. The repair and maintenance work for a major engineering company continued at similar levels to the previous year. The gross margin achieved of 11.1% was only slightly less than the previous year's 11.5%. The combined impact of these factors is a reduction in gross profit of £152,031.

Future Developments

As for many businesses of our size, the environment in which the company and its subsidiary undertakings operate continues to be challenging. The industry is subject to constraints on spending partly brought about by uncertainty in the British economy and partly by other factors. With these risks and uncertainties in mind the directors are aware that any plans for future development of the group may be subject to unforeseen future events outside of their control. Nevertheless the directors consider that the group is well placed to sustain the current level of activity in the foreseeable future.

Financial risk management objectives and policies

There are no financial risk management objectives and policies which are material to the assessment of the group's assets, liabilities, financial position or its profits.

Results and dividend

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

The directors recommend the payment of a final dividend of 12p per share.

Directors

The directors who held office during the year were as follows:

- V Barker
- C M Barker
- D R Barker

Retirement of directors

In accordance with the Articles of Association, DR Barker retires by rotation, and being eligible, offers himself for re-election.

Donations

No political donations were made during the year (2007 - £nil) and charitable donations amounted to £1,150 (2007 - £1,573).

Auditors

The auditors, HWCA Limited, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

LECK GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2008

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Directors' responsibilities

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

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.

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on 16 March 2009 and signed on its behalf by:



V Barker
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LECK GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Leck Group Limited for the year ended 31 July 2008 set out on pages 6 to 28. These financial statements have been prepared in accordance with 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 3, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 group 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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 group's and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LECK GROUP LIMITED

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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 group's and the parent company's affairs as at 31 July 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

HWCA Limited

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HWCA Limited
Registered Auditors

16 March 2009

Northern Assurance Buildings
9/21 Princess Street
Manchester
M2 4DN

LECK GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2008

	Note	2008 £	2007 £
Turnover	2	11,334,593	12,269,693
Cost of sales		<u>(10,075,434)</u>	<u>(10,858,503)</u>
Gross profit		1,259,159	1,411,190
Administrative expenses		(1,443,912)	(1,707,563)
Other operating income		<u>398,980</u>	<u>420,930</u>
Operating profit	3	214,227	124,557
Exceptional loss on sale of fixed assets	5	(36,109)	(3,841)
Investment income		1,417	1,315
Other interest receivable and similar income		88,335	85,445
Interest payable and similar charges	8	<u>(1,613)</u>	<u>(2,434)</u>
Profit on ordinary activities before taxation		266,257	205,042
Tax on profit on ordinary activities	9	<u>(64,240)</u>	<u>(59,914)</u>
Profit for the financial year	21	<u>202,017</u>	<u>145,128</u>

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 11 to 28 form an integral part of these financial statements.

LECK GROUP LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2008**

	2008 £	2007 £
Net profit for the year	202,017	145,128
Tax on disposal of revalued properties	(7,263)	(33,090)
Unrealised (deficit)/surplus on revaluation of properties	(187,500)	199,000
Total recognised gains for the year	<u>7,254</u>	<u>311,038</u>

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2008**

	2008 £	2007 £
Reported profit on ordinary activities before taxation	266,257	205,042
Realisation of property revaluation gains of previous years	37,000	170,173
Historical cost profit on ordinary activities before taxation	<u>303,257</u>	<u>375,215</u>
Historical cost profits for the year after taxation and dividends	<u>51,649</u>	<u>102,106</u>

The notes on pages 11 to 28 form an integral part of these financial statements.

LECK GROUP LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2008

		2008		2007	
	Note	£	£	£	£
Fixed assets					
Tangible assets	12		4,132,379		4,474,259
Investments	13		6,990		6,246
			<u>4,139,369</u>		<u>4,480,505</u>
Current assets					
Stocks	14	1,098,313		751,268	
Debtors	15	1,717,238		1,650,265	
Investments	16	1,286,709		1,931,709	
Cash at bank and in hand		<u>467,242</u>		<u>354,539</u>	
		4,569,502		4,687,781	
Creditors: Amounts falling due within one year	17	<u>(3,146,542)</u>		<u>(3,442,606)</u>	
Net current assets			<u>1,422,960</u>		<u>1,245,175</u>
Total assets less current liabilities			5,562,329		5,725,680
Provisions for liabilities	19		<u>(175,616)</u>		<u>(166,116)</u>
Net assets			<u>5,386,713</u>		<u>5,559,564</u>
Capital and reserves					
Called up share capital	20		52,972		52,972
Revaluation reserve	21		1,331,224		1,555,724
Other reserves	21		64,165		64,165
Profit and loss account	21		<u>3,938,352</u>		<u>3,886,703</u>
Equity shareholders' funds	22		<u>5,386,713</u>		<u>5,559,564</u>

Approved by the Board on 16 March 2009 and signed on its behalf by:



V Barker
Director

The notes on pages 11 to 28 form an integral part of these financial statements.

LECK GROUP LIMITED
BALANCE SHEET
AS AT 31 JULY 2008

		2008		2007	
	Note	£	£	£	£
Fixed assets					
Investments	13		173,098		172,354
Current assets					
Debtors	15	3,324,200		3,383,218	
Cash at bank and in hand		465,870		352,116	
		<u>3,790,070</u>		<u>3,735,334</u>	
Creditors: Amounts falling due within one year	17	<u>(226,718)</u>		<u>(224,577)</u>	
Net current assets			<u>3,563,352</u>		<u>3,510,757</u>
Total assets less current liabilities			<u>3,736,450</u>		<u>3,683,111</u>
Net assets			<u>3,736,450</u>		<u>3,683,111</u>
Capital and reserves					
Called up share capital	20		52,972		52,972
Other reserves	21		66,027		66,027
Profit and loss account	21		<u>3,617,451</u>		<u>3,564,112</u>
Equity shareholders' funds	22		<u>3,736,450</u>		<u>3,683,111</u>

Approved by the Board on 16 March 2009 and signed on its behalf by:



V Barker
Director

LECK GROUP LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2008

		2008	2007
	Note	£	£
Net cash flow from operating activities	25	(560,991)	416,431
Returns on investment and servicing of finance	26	88,139	84,326
Taxation	26	(86,004)	(70,660)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(50,048)	(65,362)
Sale of tangible fixed assets		79,099	260,975
Purchase of trade investment		(744)	(671)
		<u>28,307</u>	<u>194,942</u>
Equity dividends paid		<u>(180,105)</u>	<u>(180,105)</u>
Cash (outflow)/inflow before management of liquid resources and financing		<u>(710,654)</u>	<u>444,934</u>
Management of liquid resources			
Cash placed into deposit account		-	(250,000)
Cash withdrawn from deposit		645,000	-
		<u>645,000</u>	<u>(250,000)</u>
Net cash flow		<u><u>(65,654)</u></u>	<u><u>194,934</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2008	2007
	Note	£	£
(Decrease)/increase in cash in the year	27	(65,654)	194,934
Cash (inflow)/outflow from (decrease)/increase in liquid resources		<u>(645,000)</u>	<u>250,000</u>
Change in net funds resulting from cash flows		<u>(710,654)</u>	<u>444,934</u>
Net funds at the start of the year	27	<u>1,980,108</u>	<u>1,535,174</u>
Net funds at the end of the year	27	<u><u>1,269,454</u></u>	<u><u>1,980,108</u></u>

The notes on pages 11 to 28 form an integral part of these financial statements.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, oil wells and chief rents, and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements include the financial statements of Leck Group Limited and all subsidiary undertakings on the basis of audited financial statements made up to 31 July 2008. No profit or loss is presented for Leck Group Limited as permitted by Section 230 of the Companies Act 1985.

Turnover

Turnover comprises completed sales and the value of contracting work performed which includes attributable profit in respect of long term contracts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold buildings	2% on cost or valuation
Plant and machinery	20% or 33% on net book value or cost
Motor vehicles	25% or 33.33% on net book value

Leasing

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

Investments

Fixed asset investments are stated at cost less provision for any diminution in value. Current asset investments are stated at the lower of cost and net realisable value.

Stock and work in progress

Stocks of raw materials, land and houses for resale are valued at the lower of cost and net realisable value.

Short term contracts and developments included in work in progress are valued at the lower of direct cost and net realisable value and after deducting progress payments received.

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

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 provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in accordance with the requirements of FRS 19 - Deferred tax. The deferred tax balance has not been discounted.

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.

Revaluation of property

The company has taken advantage of the transitional provisions of FRS15 "Tangible fixed assets" and retained the book amounts of certain properties which were revalued prior to the implementation of that standard. The properties were last revalued as at 31 July 1976 and the valuations have not subsequently been updated.

Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Goodwill

Goodwill arising on acquisitions in the year ended 31 December 1997 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit and loss on disposal.

2 Turnover

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

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

3 Operating profit

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation of tangible assets	89,220	104,060
Plant and machinery hire	381,271	362,931
Auditors remuneration (company: £5,820; 2007 £5,310)	11,820	11,310
and after crediting:		
Rents receivable	519,690	465,349
Dividends received	<u>1,081</u>	<u>926</u>

4 Investment income

	2008 £	2007 £
Income from fixed asset investments	<u>1,417</u>	<u>1,315</u>

5 Exceptional items

	2008 £	2007 £
Exceptional loss on sale of fixed assets	<u>36,109</u>	<u>3,841</u>

6 Particulars of employees

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

	2008 No.	2007 No.
Office and management	25	25
Construction	86	83
	<u>111</u>	<u>108</u>

Employment costs

	£	£
Wages and salaries	2,810,620	2,832,454
Social security costs	271,170	282,109
Other pension costs	150,099	132,782
	<u>3,231,889</u>	<u>3,247,345</u>

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

7 Directors' emoluments

The directors' emoluments for the year are as follows:

	2008 £	2007 £
Directors' remuneration (including benefits in kind)	169,483	413,772
Pension contributions	106,544	106,540
	<u>276,027</u>	<u>520,312</u>

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

	2008 No.	2007 No.
Money purchase	<u>2</u>	<u>2</u>

The aggregate of emoluments of the highest paid director was £79,466 (2007 - £318,397), and company pension contributions of £nil (2007 - £nil) were made on his behalf.

8 Interest payable and similar charges

	2008 £	2007 £
On bank overdrafts	306	46
Other interest	1,307	2,388
	<u>1,613</u>	<u>2,434</u>



LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

9 Taxation

Analysis of current period tax charge

	2008 £	2007 £
Current tax		
Corporation tax charge	<u>54,740</u>	<u>52,914</u>
Deferred tax		
Origination and reversal of timing differences	<u>9,500</u>	<u>7,000</u>
Total tax on profit on ordinary activities	<u><u>64,240</u></u>	<u><u>59,914</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK of 29.33% (2007 - 30.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>266,257</u>	<u>205,042</u>
Standard rate corporation tax charge	78,093	61,513
Non deductible expenses	2,317	2,852
Depreciation add back	36,763	32,370
Capital allowances	(39,858)	(32,200)
Dividends and distributions received	(317)	(278)
Taxation charge included in statement of recognised gains and losses	(7,263)	(33,090)
Other tax adjustments	10,478	51,348
Marginal rate relief	<u>(25,473)</u>	<u>(29,601)</u>
Total current tax for the year	<u><u>54,740</u></u>	<u><u>52,914</u></u>

10 Profit for the financial year

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2008 £	2007 £
Holding company's profit for the financial year	<u>233,444</u>	<u>179,616</u>

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... *continued*

11 Dividends

	2008	2007
	£	£
Final ordinary dividend proposed and paid during the year relating to the previous year's results	<u>180,105</u>	<u>180,105</u>

The directors have proposed a final dividend of 12 pence per share (2007 - 17 pence per share). This dividend has not been accrued as at 31 July 2008 as, in accordance with FRS 21 "Events after the Balance Sheet Date", dividends are shown as a change in shareholders' equity on the basis of cash paid or dividends declared prior to the year end.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

12 Tangible fixed assets

Group

	Land and buildings £	Investment properties £	Plant and machinery £	Motor vehicles £	Total £
Cost or Valuation					
As at 1 August 2007	90,071	4,072,460	842,828	410,172	5,415,531
Revaluation	-	(187,500)	-	-	(187,500)
Additions	-	-	22,763	27,285	50,048
Disposals	-	(75,000)	(8,340)	(119,032)	(202,372)
As at 31 July 2008	<u>90,071</u>	<u>3,809,960</u>	<u>857,251</u>	<u>318,425</u>	<u>5,075,707</u>
Depreciation					
As at 1 August 2007	27,652	-	685,438	228,182	941,272
Eliminated on disposals	-	-	(8,065)	(79,099)	(87,164)
Charge for the year	1,710	-	40,125	47,385	89,220
As at 31 July 2008	<u>29,362</u>	<u>-</u>	<u>717,498</u>	<u>196,468</u>	<u>943,328</u>
Net book value					
As at 31 July 2008	<u>60,709</u>	<u>3,809,960</u>	<u>139,753</u>	<u>121,957</u>	<u>4,132,379</u>
As at 31 July 2007	<u>62,419</u>	<u>4,072,460</u>	<u>157,390</u>	<u>181,990</u>	<u>4,474,259</u>
 Valuation	58,500	3,809,960	-	-	3,868,460
Cost	<u>31,571</u>	<u>-</u>	<u>857,251</u>	<u>318,425</u>	<u>1,207,247</u>
Total	<u>90,071</u>	<u>3,809,960</u>	<u>857,251</u>	<u>318,425</u>	<u>5,075,707</u>

Certain of the freehold properties included in the land and buildings category were professionally valued on an open market basis at July 1976.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 August 2007 and at 31 July 2008	<u>73,666</u>
Depreciation	
At 1 August 2007	18,725
Charge for the year	<u>1,474</u>
At 31 July 2008	<u>20,199</u>
Net book value	
At 31 July 2008	<u>53,467</u>
At 31 July 2007	<u>54,941</u>

Investment properties

Investment properties consist of freehold property £3,255,700 (2007 - £3,483,200) and long leasehold property £554,260 (2007 - £589,260).

The investment properties have been valued by the directors, on an open market basis at 31 July 2008.

The historical cost of the investment properties was £2,546,350 (2007 - £2,584,350).

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

13 Investments held as fixed assets

Group

	Oil wells	Listed investments	Unlisted investments	Chief rents	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2007	2,064	11,161	540	780	14,545
Additions	-	744	-	-	744
At 31 July 2008	<u>2,064</u>	<u>11,905</u>	<u>540</u>	<u>780</u>	<u>15,289</u>
Provision for diminution in value					
As 1 August 2007 and 31 July 2008	<u>2,064</u>	<u>6,235</u>	<u>-</u>	<u>-</u>	<u>8,299</u>
Net book value					
At 31 July 2008	<u>-</u>	<u>5,670</u>	<u>540</u>	<u>780</u>	<u>6,990</u>
At 31 July 2007	<u>-</u>	<u>4,926</u>	<u>540</u>	<u>780</u>	<u>6,246</u>

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

Company

	Oil wells	Listed investments	Shares in subsidiary undertakings	Total
	£	£	£	£
Cost or valuation				
At 1 August 2007	2,064	11,161	284,808	298,033
Additions	-	744	-	744
At 31 July 2008	<u>2,064</u>	<u>11,905</u>	<u>284,808</u>	<u>298,777</u>
Provision for diminution in value				
As 1 August 2007 and 31 July 2008	<u>2,064</u>	<u>6,235</u>	<u>117,380</u>	<u>125,679</u>
Net book value				
At 31 July 2008	<u>-</u>	<u>5,670</u>	<u>167,428</u>	<u>173,098</u>
At 31 July 2007	<u>-</u>	<u>4,926</u>	<u>167,428</u>	<u>172,354</u>

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

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Leck Construction Limited	England	Building contractors and property developers	Ordinary	100
J A Payne Limited	England	Investment in property	Ordinary	100
Thirlcrest Limited	England	Dormant	Ordinary	100
Handforce Limited	England	Dormant	Ordinary	100
John Westall Limited	England	Dormant	Ordinary	100
Chaddock Homes Limited	England	Dormant	Ordinary	100

With the exception of the freehold and leasehold oil wells and chief rent, investments are stated at cost.

The freehold and leasehold oil wells are at net book value in 1947 less cash received of £7,255 on disposals since and the chief rents are at valuation in 1970.

At 31 July 2008 the market value of the listed investments held by the group and company was £18,782 (2007 - £19,914).

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

14 Stocks and work in progress

	Group	
	2008	2007
	£	£
Raw materials	5,350	10,996
Short term contracts	3,283,372	2,977,534
Land	189,562	189,562
Developments	175,579	38,741
Payments on account	(2,555,550)	(2,465,565)
	<u>1,098,313</u>	<u>751,268</u>

15 Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	1,203,883	1,180,582	-	-
Amounts owed by group undertakings	-	-	3,324,173	3,383,203
Amounts recoverable on long term contracts	346,258	311,415	-	-
Other debtors	120,443	119,520	27	15
Prepayments and accrued income	46,654	38,748	-	-
	<u>1,717,238</u>	<u>1,650,265</u>	<u>3,324,200</u>	<u>3,383,218</u>

16 Current asset investments

Group	
	2008
	£
Other unlisted investments	<u>1,286,709</u>
	<u>1,931,709</u>

Investments consist of deposits with financial institutions.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

17 Creditors: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank overdrafts	484,497	306,140	-	-
Payments received on account	53,885	31,720	-	-
Trade creditors	2,053,915	2,283,189	-	-
Amounts owed to group undertakings	-	-	102,444	102,444
Corporation tax	61,999	86,000	20,205	19,434
Social security and other taxes	85,122	79,499	9,510	10,468
Other creditors	143,696	136,407	88,339	86,921
Accruals and deferred income	263,428	519,651	6,220	5,310
	<u>3,146,542</u>	<u>3,442,606</u>	<u>226,718</u>	<u>224,577</u>

18 Security of borrowings

The bank overdrafts are secured by a specific charge over certain of the group's land and properties together with a fixed and floating charge over the remaining assets of the group.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

19 Provisions for liabilities

Group

	Deferred tax provision £	Other provision £	Total £
As at 1 August 2007	128,356	37,760	166,116
Profit and loss account	9,500	-	9,500
As at 31 July 2008	<u>137,856</u>	<u>37,760</u>	<u>175,616</u>

Deferred tax

Deferred tax is provided at 21.00% (2007 - 20.00%).

Group

	2008 £	2007 £
Accelerated capital allowances	145,756	135,856
Other timing differences	(7,900)	(7,500)
	<u>137,856</u>	<u>128,356</u>

No provision has been made for deferred tax on revaluing property to its market value. The tax arising from the revaluation would only be payable if the property were to be sold without rollover relief being available. The potential tax on gains arising on the revaluation is estimated to be £237,000 (2006 - £230,000). These assets are expected to be used in the continuing operations of the business and therefore no tax is expected to be paid in the foreseeable future.

Other provisions represent the estimated cost of completing a road prior to adoption by the local authority.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... *continued*

20 Share capital

	2008 £	2007 £
Authorised		
Equity		
2,700,000 Ordinary shares of 5 pence each	<u>135,000</u>	<u>135,000</u>
Allotted, called up and fully paid		
Equity		
1,059,444 Ordinary shares of 5 pence each	<u>52,972</u>	<u>52,972</u>

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... continued

21 Reserves

Group

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
Balance at 1 August 2007	1,555,724	64,165	3,886,703	5,506,592
Retained profit for the year	-	-	202,017	202,017
Transfer of realised profits	(37,000)	-	37,000	-
Tax on disposal of revalued properties	-	-	(7,263)	(7,263)
Deficit on property revaluation	(187,500)	-	-	(187,500)
Equity dividends paid	-	-	(180,105)	(180,105)
Balance at 31 July 2008	<u>1,331,224</u>	<u>64,165</u>	<u>3,938,352</u>	<u>5,333,741</u>

Company

	Other reserves £	Profit and loss account £	Total £
Balance at 1 August 2007	66,027	3,564,112	3,630,139
Retained profit for the year	-	233,444	233,444
Equity dividends paid	-	(180,105)	(180,105)
Balance at 31 July 2008	<u>66,027</u>	<u>3,617,451</u>	<u>3,683,478</u>

Capital redemption reserve

	£
Balance at 1 August 2007 and 31 July 2008	<u>62,027</u>

Acquisition reserve arising of allotment of shares under Section 131 Companies Act 1985

	£
Balance at 1 August 2007 and 31 July 2008	<u>4,000</u>

The revaluation reserve of the group includes £1,287,002 (2007 - £1,511,502) in respect of surpluses on revaluation of investment properties.

The cumulative amount of goodwill written off amounts to £81,103 (2007 - £81,103).

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

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22 Reconciliation of movements in shareholders' funds

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Profit attributable to members of the group/company	202,017	145,128	233,444	179,616
Dividends	(180,105)	(180,105)	(180,105)	(180,105)
	<u>21,912</u>	<u>(34,977)</u>	<u>53,339</u>	<u>(489)</u>
Other recognised (losses)/gains for the year	(194,763)	165,910	-	-
Net (reduction)/addition to shareholders' funds	<u>(172,851)</u>	<u>130,933</u>	<u>53,339</u>	<u>(489)</u>
Opening shareholders' funds	5,559,564	5,428,631	3,683,111	3,683,600
Closing shareholders' funds	<u>5,386,713</u>	<u>5,559,564</u>	<u>3,736,450</u>	<u>3,683,111</u>

23 Contingent liabilities

a) The group has contingent liabilities in respect of contract bonds which at 31 July 2008 amounted to £28,912 (2007 - £nil).

b) The company has guaranteed the bank overdrafts of certain subsidiary undertakings. As at 31 July 2008 these overdrafts amounted to £399,656 (2007 - £252,842).

24 Pension scheme

Defined contribution pension scheme

The group operates three money purchase pension schemes for the benefit of certain eligible employees. The assets of these schemes are held separately from those of the group in the independently administered funds. The pension cost charge for the year amounted to £150,099 (2007 - £132,782).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

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25 Reconciliation of operating profit to operating cash flows

	2008	2007
	£	£
Operating profit	214,227	124,557
Depreciation, amortisation and impairment charges	89,220	104,060
(Increase)/decrease in stocks	(347,045)	635,870
Increase in debtors	(66,973)	(820,044)
(Decrease)/increase in creditors	(450,420)	371,988
Net cash (outflow)/inflow from operating activities	(560,991)	416,431

26 Analysis of cash flows

	2008	2007
	£	£
Returns on investment and servicing of finance		
Other interest paid	(1,613)	(2,434)
Interest received	88,335	85,445
Dividends received	1,417	1,315
	88,139	84,326
Taxation		
Taxation paid	(86,004)	(70,660)

27 Analysis of net funds

	At start of period	Cash flow	At end of period
	£	£	£
Cash at bank and in hand	354,539	112,703	467,242
Bank overdraft	(306,140)	(178,357)	(484,497)
Cash and bank net funds	48,399	(65,654)	(17,255)
Current asset investments	1,931,709	(645,000)	1,286,709
Net funds	1,980,108	(710,654)	1,269,454

LECK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2008

..... *continued*

28 Controlling entity

V and CM Barker, both of whom are directors of Leck Group Limited, control the company as a result of controlling 97% of the issued share capital of Leck Group Limited.

LECK GROUP LIMITED**COMPANY DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2008**

	2008		2007	
	£	£	£	£
Dividends receivable		270,755		178,681
Management fees		190,000		190,000
Interest receivable		99,296		113,133
		<u>560,051</u>		<u>481,814</u>
General expenses	234		234	
Legal and professional	4,275		5,655	
Audit	5,820		5,310	
Bank charges	179		50	
Directors' emoluments	212,204		208,640	
Printing and stationery	159		165	
Salaries and pension	<u>83,531</u>		<u>62,710</u>	
		<u>(306,402)</u>		<u>(282,764)</u>
Profit before taxation		253,649		199,050
Taxation		<u>(20,205)</u>		<u>(19,434)</u>
Profit after taxation		233,444		179,616
Dividend		<u>(180,105)</u>		<u>(180,105)</u>
Retained profit		53,339		(489)
Retained profit at the beginning of the year		<u>3,564,112</u>		<u>3,564,601</u>
Retained profit at the end of the year		<u><u>3,617,451</u></u>		<u><u>3,564,112</u></u>

This page does not form part of the statutory financial statements.