Gibraltar Joinery and Building Services Limited

Annual report
for the year ended 31 December 2007

Registered number: 25860

Gibraltar Joinery and Building Services Limited

Annual report for the year ended 31 December 2007

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007.

Principal activities

The company is registered in Gibraltar and its principal activity during the year was that of building and joinery contractors.

Review of business and future developments

The company's turnover has been growing annually since the year ended 31 December 2004 when it amounted to £5.68M. The turnover for the year under review, namely, £10.55M represents an increase of nearly 86%. Among the projects with which the company is currently involved are the building of a new prison at Lathbury and significant works in connection with the projected new air terminal at North Front and its south road access for the tunnel contractor.

Results and dividends

The company made an operating profit for the year, after taxation of £93,165 (2006: £102,796) which has been transferred to reserves which stood at £800,582 at the end of 2007.

The directors do not recommend the payment of a dividend.

Key performance indicators ("KPIs")

The company uses a number of financial indicators to assess its performance. These indicators are categorised into profitability, financial strength and the effectiveness of the company. Where there are indications that the performance of the company is deteriorating, remedial action is taken. The financial indicators are shown below:

	2007	2006	2005*
Profitability			
Gross profit margin	**6.48%**	7.81%	4.78%
Net profit margin	**0.88%**	1.22%	(0.88%)
Financial strength			
Current ratio	**1.38**	1.38	1.70
Quick ratio	**1.01**	1.13	1.09
Effectiveness			
Return on capital employed	**5.45%**	**8.97%**	(4.68%)

* The results take account of the relocation of the company's premises to a new site, which was in part funded by the company.

Directors' report for the year ended 31 December 2007 - continued

Directors

The directors who held office during the year are given below:

M Estella	(Managing)	
J J Capurro	(Non-executive)	
W A Crisp	(Non-executive)	
D D Tirathdas	(Non-executive)	(Appointed 26 February 2007)

Financial risk management objectives and policies

Information on the use of financial instruments by the Company and its management of financial risk is disclosed in Note 2 to the financial statements, in particular the Company's exposure to currency risk, credit risk, liquidity risk and cash flow interest rate risk.

Statement of directors' responsibilities

Gibraltar company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those 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 confirm that they have complied with the above requirements in preparing the financial statements and that Gibraltar Accounting Standards have been applied in their preparation.

The directors are responsible for keeping proper accounting records that 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 Gibraltar Companies Act and other applicable legislation. 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.

Auditors

The auditors, PricewaterhouseCoopers Limited, have indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the annual general meeting.

By order of the Board

C Victory
Company secretary

Gibraltar,

1 0 JUN 2008

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Independent auditors' report to the members of Gibraltar Joinery and Building Services Limited

Report on the financial statements

We have audited the financial statements of Gibraltar Joinery and Building Services Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Gibraltar Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended.

PRICEWATERHOUSECOOPERS

Independent auditors' report to the members of Gibraltar Joinery and Building Services Limited - continued

Report on other legal and regulatory requirements

In addition to reporting on the financial statements, Gibraltar legal and regulatory requirements also require us to:

(a) Report to you our opinion as to whether the financial statements have been properly prepared in accordance with the Gibraltar Companies Act, the Gibraltar Companies (Accounts) Act 1999 and other applicable legislation.

(b) State in our report whether in our opinion the information given in the directors' report is consistent with the financial statements.

(c) 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.

Opinion

In our opinion the financial statements have been properly prepared in accordance with the Gibraltar Companies Act, the Gibraltar Companies (Accounts) Act 1999 and other applicable legislation and the information given in the directors' report is consistent with the financial statements.

We have nothing to report to you in respect of our responsibility set out in (c) above.

Other matters

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 182 of the Gibraltar Companies Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Auditors 13 JUN 2008

Gibraltar,

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover - continuing operations	1 & 4	**10,547,914**	8,391,958
Cost of sales		**(9,864,004)**	(7,736,224)
Gross profit		**683,910**	655,734
Administrative expenses		**(574,095)**	(516,286)
Operating profit - continuing operations	5	**109,815**	139,448
Other income	7	**9,354**	9,067
Interest receivable and similar income	8	**6,290**	4,667
Interest payable and similar charges	9	**(1,184)**	(4,594)
Profit on ordinary activities before taxation		**124,275**	148,588
Taxation	10	**(31,110)**	(45,792)
Profit for the financial year	17	**93,165**	102,796

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

Balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible fixed assets	11	**1,081,161**	925,649
Current assets			
Stocks and work in progress	12	**738,139**	521,347
Debtors	13	**1,492,998**	1,821,822
Cash at bank and in hand	20	**536,903**	465,420
		2,768,040	2,808,589
Creditors: amounts falling due within one year	14	**(2,005,519)**	(1,993,815)
Net current assets		**762,521**	814,774
Total assets less current liabilities		**1,843,682**	1,740,423
Provision for liabilities and charges	15	**(43,100)**	(33,006)
Net assets		**1,800,582**	1,707,417
Capital and reserves			
Called up share capital	16	**1,000,000**	1,000,000
Profit and loss account	17	**800,582**	707,417
Equity shareholders' funds	18	**1,800,582**	1,707,417

The financial statements on pages 5 to 18 were approved by the board of directors on 10 June 2008 and were signed on its behalf by:

M Estella
Managing Director

W A Crisp
Director

Cash flow statement for the year ended 31 December 2007

	Note	2007 £	2006 £
Net cash inflow from operating activities	19	**444,724**	246,697
Return on investments and servicing of finance			
Interest paid		**(1,184)**	(5,356)
Interest received on bank deposits		**6,290**	4,667
Net cash inflow/(outflow) from return on investments and servicing of finance		**5,106**	(689)
Taxation		**-**	(36,640)
Capital expenditure and financial investment			
Proceeds on sale of tangible fixed assets		**4,000**	600
Purchase of tangible fixed assets	11	**(319,825)**	(372,923)
Net cash outflow from capital expenditure and financial investment		**(315,825)**	(372,323)
Net cash inflow/(outflow) before financing		**134,005**	(162,955)
Financing			
Repayment of Government loan		**(62,522)**	(96,000)
Receipt of Government short-term advances		**-**	487,088
Net cash (outflow)/inflow from financing		**(62,522)**	391,088
Increase in cash	20	**71,483**	228,133

Reconciliation of net cash flow to movement in net debt

	Note	2007 £	2006 £
Increase in cash during the year		**71,483**	228,133
Repayment of Government loan		**62,522**	96,000
Receipt of Government short-term advances		**-**	(487,088)
Movement in net funds/(debt) for the year	20	**134,005**	(162,955)
Net (debt)/funds at 1 January		**(138,740)**	24,215
Net debt at 31 December	20	**(4,735)**	(138,740)

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

These financial statements have been prepared under the historical cost convention, the accounting policies set out below, applicable legislation and in accordance with Gibraltar Accounting Standards.

The Gibraltar legislation applied in the preparation of these financial statements includes the Companies Act and the Companies (Accounts) Act 1999.

Turnover

Turnover comprises the value of contracting work executed on long term contracts during the year and the value of other goods and services supplied.

Rental income

Rent is received in relation to the letting of space on the company's premises. Rental income is accounted for on an accruals basis.

Foreign currencies

(i) Functional and presentation currency

Items included in these financial statements are measured and presented using British pounds (£), the currency of the primary economic environment in which the company operates (the 'functional currency'), which is also the company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. The company does not have any non-monetary assets and liabilities denominated in foreign currencies.

Fixed assets

Tangible fixed assets are carried at cost. Cost represents purchase cost together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned which are considered to be:

Motor vehicles	4 to 10 years
Fixed plant, machinery and equipment	5 to 15 years
Office equipment	4 years
Buildings and improvements to premises	25 years

Impairment reviews are conducted if events or changes in circumstances indicate that the carrying amount of fixed assets may not be recoverable.

Capitalisation of own labour

Direct labour costs and the indirect overheads related to those costs have been capitalised to the extent that they relate to the improvements on buildings.

Notes to the financial statements for the year ended 31 December 2007 - continued

1 Accounting policies - continued

Impairment

Tangible fixed assets are subject to an impairment review if there are events or changes in circumstances that indicate that their carrying amount may not be fully recoverable. The impairment review comprises a comparison of the carrying amount of the fixed assets with its recoverable amount, which is the higher of net realisable value and value in use. The carrying value of the fixed asset is written down by the amount of any impairment and this loss is recognised in the profit and loss account in the period in which it occurs. If the occurrence of an external event gives rise to the reversal of an impairment loss, the reversal is recognised in the profit and loss account and by increasing the carrying amount of the fixed asset in the period in which it occurs. The carrying amount of the fixed asset will only be increased up to the amount that it would have been had the original impairment not occurred.

Pensions

The company participates in a fully funded defined-contribution scheme. The cost of the contribution is charged against profit in the period to which the contribution relates.

Stocks and work in progress, excluding long-term contracts

Stocks and work in progress are stated at the lower of cost and net realisable value.

In the case of stocks of materials and consumables, cost is determined on a weighted average basis and includes transport and handling costs.

In the case of short term work in progress, which represents minor construction contracts with a value under £5,000, costs include all direct expenditure and production overheads based on a normal level of activity.

Where necessary, provision is made for obsolete, slow moving and defective stocks.

Long-term contracts

Long-term contracts represent major construction contracts with a value of £5,000 or greater. Costs include all direct expenditure and production overheads based on a normal level of activity.

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 contract is substantially complete, normally 70% complete, and the outcome of the contract can be assessed with reasonable certainty.

The excess of payments received over the amounts recognised as turnover is classified under creditors due within one year.

Provision is made for all losses expected to arise up to the completion of contracts in progress or entered into up to the balance sheet date, whether or not work has commenced.

Amounts recoverable on contracts

Amounts recoverable on contracts represents the excess of the turnover recognised in the accounts (see long-term contracts above) over the amount invoiced to clients.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred over the lease term.

Notes to the financial statements for the year ended 31 December 2007 - continued

1 Accounting policies - continued

Current taxation

Provision is made at the applicable rate for corporation tax payable on the results for the year, as adjusted for tax purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when 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 differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date.

Cash flow statement

Cash flows are defined as increases or decreases in cash. Cash includes cash in hand and deposits with banks repayable on demand. Deposits are repayable on demand if they are in practice available within twenty-four hours. Liquid resources, for cash flow purposes, are classified as deposits with banks which are repayable after more than one day.

2 Management of financial risk

The company's operations expose it to a variety of financial risks that include the effects of currency risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of exposure.

(a) Currency risk

The company is exposed to currency risk in respect of its purchases of goods denominated in foreign currencies. The most significant currency to which the company is exposed is the euro. As the majority of the company's purchases are denominated in sterling and all euro denominated purchases are made in cash, the company has very little exposure to currency risk.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The company has implemented policies that require appropriate credit checks on potential customers before contracts for services are entered into with them. As the majority of the company's sales contracts are with the Government of Gibraltar, the company's exposure to credit risk is limited.

(c) Liquidity risk

The company actively maintains a mixture of long-term and short-term finance that is designed to ensure that the company has sufficient available funds for operations.

(d) Cash flow interest rate risk

The company is exposed to changes in interest rates, primarily due to its financing and cash management activities. This risk is considered to be minimal to the company as the short term finance provided by the Government of Gibraltar is interest free.

Notes to the financial statements for the year ended 31 December 2007 - continued

3 Segmental reporting

The company's activities consist solely of the completion of building and joinery contracting in Gibraltar.

4 Related party transactions

The Government of Gibraltar is the ultimate beneficial owner of the shares in the company. Government of Gibraltar departments and their sponsored bodies are the company's principal clients as shown by the analysis of turnover below.

	2007 £	2006 £
Analysis of turnover		
Government of Gibraltar departments and sponsored bodies	**10,003,116**	7,863,494
Commercial work	**544,798**	528,464
	10,547,914	8,391,958

All of the services provided by the company to Government of Gibraltar departments and their sponsored bodies are on normal commercial terms.

The amounts due by Government of Gibraltar departments and their sponsored bodies as at the balance sheet date, for services provided by the company, and those due to the Government under the various headings are shown below.

	2007 £	2006 £
Amounts due from Government of Gibraltar departments and their sponsored bodies		
Trade debtors	**617,834**	688,687
Retentions receivable	-	123,470
Amounts due to the Government of Gibraltar		
Short term advance	**541,638**	541,638
Loan	-	62,522
Taxation and social security	**269,250**	450,401
Corporation tax	**21,016**	-
Other items which are not yet due from/(to) the Government of Gibraltar		
Work in progress	**63,918**	238,907
Amounts recoverable on contracts	**502,674**	846,968
Deferred income	**(241,333)**	(317,180)
Deferred taxation	**(43,100)**	(33,006)

Notes to the financial statements for the year ended 31 December 2007 - continued

4 Related party transactions - continued

On 20 June 2007, the Government of Gibraltar agreed that no further retentions would be necessary on jobs undertaken by the company on its behalf and that the amounts due to the company would be offset against the income taxation creditor.

5 Operating profit

	2007 £	2006 £
Operating profit is stated after charging:		
Wages and salaries	**2,653,055**	2,393,015
Social security costs	**126,159**	124,995
Other pension costs (see note 21)	**165,838**	152,480
Staff costs	**2,945,052**	2,670,490
Capitalisation of own labour	-	(46,633)
Depreciation of tangible fixed assets	**164,313**	116,600
(Profit)/loss on sale of tangible fixed assets	**(4,000)**	1,200

6 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2007 No.	2006 No.
By activity:		
Production	**84**	87
Administration	**13**	11
	97	98

One of the directors is a member of the company pension scheme.

7 Other income

	2007 £	2006 £
Rental income receivable	**9,354**	6,533
Other income	-	2,534
	9,354	9,067

Notes to the financial statements for the year ended 31 December 2007 - continued

8 Interest receivable and similar income

	2007	2006
	£	£
Bank interest receivable	**6,290**	4,667

9 Interest payable and similar charges

	2007	2006
	£	£
Interest payable on Government of Gibraltar loan	**1,184**	4,594

10 Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2007	2006
	£	£
Current tax		
Gibraltar corporation tax for the financial year at 30% (2006: 33%)	**21,016**	-
Under provision in prior years	-	1,964
Deferred tax		
Origination and reversal of timing differences (see note 15)	**10,094**	43,828
Tax on profit on ordinary activities	**31,110**	45,792

Notes to the financial statements for the year ended 31 December 2007 - continued

10 Tax on profit on ordinary activities - continued

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the applicable rate of corporation tax for the company in the current year. The differences are explained below.

	2007 **£**	2006 £
Profit on ordinary activities before tax	**124,275**	148,588
Notional tax at 30% (2006: 33%)	**37,283**	49,034
Effects of:		
Bank interest received not subject to taxation	**(1,887)**	(1,540)
Expenses not deductible for tax purposes	**504**	231
Wear and tear allowances in excess of depreciation	**(14,639)**	(12,776)
Tax losses utilised	**(245)**	(34,949)
Current tax charge for the year	**21,016**	-

11 Tangible fixed assets

	Motor vehicles £	Fixed plant, machinery & equipment £	Office equipment £	Buildings & improvements to premises £	**Total** **£**
Cost					
At 1 January 2007	448,181	571,517	162,590	586,193	**1,768,481**
Additions	104,194	158,395	16,274	40,962	**319,825**
Disposals	(10,495)	-	-	-	**(10,495)**
At 31 December 2007	**541,880**	**729,912**	**178,864**	**627,155**	**2,077,811**
Depreciation					
At 1 January 2007	265,994	441,337	119,870	15,631	**842,832**
Charge for the year	67,511	54,410	18,288	24,104	**164,313**
Disposals	(10,495)	-	-	-	**(10,495)**
At 31 December 2007	**323,010**	**495,747**	**138,158**	**39,735**	**996,650**
Net book value					
At 31 December 2007	**218,870**	**234,165**	**40,706**	**587,420**	**1,081,161**
At 31 December 2006	182,187	130,180	42,720	570,562	925,649

Notes to the financial statements for the year ended 31 December 2007 - continued

12 Stocks and work in progress

	2007 £	2006 £
Stocks and work in progress		
Raw materials and consumables	**320,878**	282,440
Short term work in progress	**351,598**	146,302
Long term work in progress	**65,663**	92,605
	738,139	521,347

13 Debtors

	2007 £	2006 £
Amounts falling due within one year:		
Trade debtors	**728,633**	941,209
Other debtors	**61,681**	19,005
Prepayments and accrued income	**-**	3,180
Amounts recoverable on contracts	**702,684**	858,428
	1,492,998	1,821,822

14 Creditors: amounts falling due within one year

	2007 £	2006 £
Government of Gibraltar - short term advance	**541,638**	541,638
Government of Gibraltar - interest bearing loan	**-**	62,522
Trade creditors	**895,746**	485,166
Other creditors	**9,347**	687
Taxation and social security	**269,250**	450,401
Corporation tax payable	**21,016**	-
Accruals and deferred income	**268,522**	453,401
	2,005,519	1,993,815

Included in other creditors are pension contributions payable amounting to £8,974 (2006: £185).

The advance from the Government of Gibraltar is interest free with no fixed date for repayment.

Notes to the financial statements for the year ended 31 December 2007 - continued

15 Provision for liabilities and charges

	2007 £	2006 £
At 1 January	**(33,006)**	10,822
Charged to the profit and loss account (see note 10)	**(10,094)**	(43,828)
At 31 December	**(43,100)**	(33,006)

	2007 £	2006 £
Deferred taxation provided in the accounts comprises		
Accelerated capital allowances	**(43,100)**	(33,251)
Unrelieved tax losses	-	245
At 31 December	**(43,100)**	(33,006)

16 Called up share capital

	2007 £	2006 £
Authorised, issued and fully paid		
1,000,000 ordinary shares of £1 each	**1,000,000**	1,000,000

17 Profit and loss account

	2007 £	2006 £
At 1 January	**707,417**	604,621
Profit for the financial year	**93,165**	102,796
At 31 December	**800,582**	707,417

18 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Profit for the year and net addition to shareholders' funds	**93,165**	102,796
At 1 January	**1,707,417**	1,604,621
At 31 December	**1,800,582**	1,707,417

Notes to the financial statements for the year ended 31 December 2007 - continued

19 Cash flow from operating activities

	2007	2006
	£	£
Operating profit	**109,815**	139,448
Depreciation of tangible fixed assets	**164,313**	116,600
(Profit)/loss on sale of tangible fixed assets	**(4,000)**	1,200
Other income	**9,354**	9,067
(Increase)/decrease in stocks	**(216,792)**	349,406
Decrease/(increase) in trade debtors	**212,576**	(193,531)
Decrease/(increase) in other debtors, prepayments and accrued income and amounts recoverable on contracts	**116,248**	(319,525)
Increase/(decrease) in trade creditors	**410,580**	(13,313)
Increase/(decrease) in other creditors	**8,660**	(14,285)
(Decrease)/increase in taxation and social security	**(181,151)**	83,287
(Decrease)/increase in accruals and deferred income	**(184,879)**	88,343
Net cash inflow from operating activities	**444,724**	246,697

20 Analysis of changes in net debt

	1 January 2007	Cash flow	**31 December 2007**
	£	£	**£**
Cash at bank and in hand	465,420	71,483	**536,903**
Government advance	(541,638)	-	**(541,638)**
Government loan	(62,522)	62,522	**-**
Net debt	(138,740)	134,005	**(4,735)**

21 Pension commitments

The company participates in a defined contribution pension scheme with the assets held in a separate trustee administered fund.

The company's pension costs for the year are disclosed in note 5.

Notes to the financial statements for the year ended 31 December 2007 - continued

22 Controlling party

The immediate and ultimate parent undertaking is Gibraltar Investment (Holdings) Limited, a company incorporated in Gibraltar.

According to the register kept by the company, Gibraltar Investment (Holdings) Limited has a 100% interest in the share capital of Gibraltar Joinery and Building Services Limited as at 31 December 2007. The directors regard the Government of Gibraltar as the ultimate controlling party by virtue of its 100% interest in the share capital of Gibraltar Investment (Holdings) Limited.

Gibraltar Joinery and Building Services Limited

Analysis of cost of sales for the year ended 31 December 2007

	2007 £	2006 £
Direct costs		
Materials and other costs	**6,980,845**	5,198,453
Direct labour wage cost	**1,520,581**	1,360,077
Direct labour wage cost capitalised	**-**	(46,633)
	8,501,426	6,511,897
Indirect costs		
Supervisory salary cost	**453,983**	382,171
Non productive wage cost	**280,516**	299,663
Employer's pension cost	**136,396**	125,220
Employer's social insurance	**112,954**	111,371
Depreciation	**164,313**	116,600
Insurance and licenses	**71,536**	55,240
Consumables and protective clothing	**46,093**	46,334
Vehicle running costs	**56,200**	38,105
Other employment costs	**16,214**	17,426
Repairs and maintenance	**15,808**	21,240
Training, health and safety	**12,565**	9,757
(Profit)/loss on disposal of tangible fixed assets	**(4,000)**	1,200
	1,362,578	1,224,327
	9,864,004	7,736,224

This page does not form part of the statutory financial statements and has been prepared for management information purposes only.

Gibraltar Joinery and Building Services Limited

Analysis of administrative expenses for the year ended 31 December 2007

	2007	2006
	£	£
Staff costs		
Office salaries	**397,975**	351,104
Employer's pension contributions	**29,442**	27,260
Employer's social insurance	**13,205**	13,624
	440,622	391,988
Other costs		
Telephone	**32,904**	27,511
Audit fees	**17,540**	19,540
Stationery, postage and advertising	**10,303**	15,536
Electricity and water	**17,290**	12,045
Legal fees	**7,500**	6,740
Employee settlement	**-**	5,000
General office costs	**9,536**	8,364
Travel and entertaining	**21,233**	8,048
Accountancy fees	**1,500**	7,185
Computer consultancy fees and other costs	**8,083**	6,393
Tender pricing	**-**	4,760
ISO related expenses	**2,795**	1,785
Donations	**1,681**	700
Bank charges and differences on exchange	**3,108**	691
	133,473	124,298
	574,095	516,286

This page does not form part of the statutory financial statements and has been prepared for management information purposes only.