

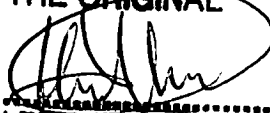


**Gibraltar Joinery and Building
Services Limited and its subsidiary**

**Annual report
for the year ended 31 December 2010**


Registered number: 25860

**CERTIFIED TRUE COPY OF
THE ORIGINAL**


.....
LEE J ABUDARHAM
COMMISSIONER FOR OATHS
10/8 International Commercial Centre
Casemates Square, Gibraltar

DOCUMENT RESUBMITTED

- 9 DEC 2013


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GIBRALTAR JOINERY AND BUIL
Document 461 (7)
ANNUAL FILING OF ACCOUNTS
YEAR ENDING 31/12/2010

Gibraltar Joinery and Building Services Limited and its subsidiary

Annual report for the year ended 31 December 2010

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Gibraltar Joinery and Building Services Limited and its subsidiary 1

Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements of the group and the company for the year ended 31 December 2010.

Principal activities

Gibraltar Joinery and Building Services Limited ("the company") is registered in Gibraltar and its principal activity during the year was that of building and joinery contractors. The group consists of the company and Gibraltar General Construction Company Limited its sole subsidiary, which is also registered in Gibraltar and whose principal activity is the provision of contractual labour to its parent.

Review of business and future developments

The group's turnover reached a record high of £69.19m. This reflected the group's continued involvement in a significant number of high worth projects including the Mid-Town Housing, substantial refurbishment of the Law Courts and works in connection with MOD relocation works. During the course of the year under review the group undertook the completion of Cumberland Terraces, Nelsons View and Bayview Housing following the collapse of the initial contractors and commenced works on the Park and Ride Project and the Waterport Terraces Housing project.

The level of activity of the group for the year 2011 is likely to remain the same as for the year under review.

Results and dividends

The group and company made a profit before taxation of £284,979 (2009: £739,472). This was increased to £349,966 (2009: £576,821) as a result of the company obtaining a tax credit for the year of £64,987, which became recoverable following the application of the Income Tax Act 2010.

The company's profit was transferred to its reserves which stood at £1,852,113 on 31 December 2010.

Key performance indicators ("KPIs")

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

	2010	2009	2008
Profitability			
Gross profit margin	2.79%	4.09%	3.49%
Net profit before tax margin	0.41%	1.96%	0.65%
Financial strength			
Current ratio	1.05	1.14	1.30
Quick ratio	1.01	1.08	1.11
Effectiveness			
Return on capital employed	10%	29.55%	7.72%

Directors' report for the year ended 31 December 2010 - continued

Directors

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

M Estella	(Managing)	
J J Capurro	(Non-executive)	(Resigned 30 June 2012)
W A Crisp	(Non-executive)	
D D Tirathdas	(Non-executive)	

Financial risk management objectives and policies

Information on the use of financial instruments by the group and its management of financial risk is disclosed in Note 2 to the financial statements, in particular the group'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 period that give a true and fair view of the state of affairs of the group and company and of its consolidated 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 group and company will continue in business

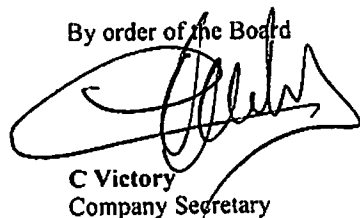
The directors confirm that they have complied with the above requirements in preparing the financial statements and that Gibraltar Accounting Standards have been applied in their preparation.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act and other applicable legislation. They are also responsible for safeguarding the assets of the group and 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,

19 FEB 2013



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 2010 which comprise the consolidated profit and loss account, the consolidated balance sheet and company balance sheet, the consolidated cash flow statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 182 of the 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.

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 ("Gibraltar Generally Accepted Accounting Practice"). This responsibility includes designing, implementing and maintaining internal control 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' judgement, 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 control 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.

PricewaterhouseCoopers Limited, International Commercial Centre, Casemates Square, Gibraltar.
T: +350 200 73520, F: +350 200 48267, www.pwc.gi



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

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- have been properly prepared in accordance with Gibraltar Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act, the Companies (Consolidated Accounts) Act 1999 and the Companies (Accounts) Act 1999.

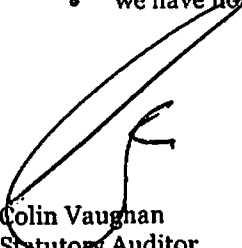
Opinion on other matter prescribed by the Companies (Accounts) Act 1999

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act requires us to report to you if, in our opinion:

- the company has not kept proper accounting records; or
- if information specified by law regarding directors' remuneration and other transactions is not disclosed; or
- we have not received all the information and explanations we require for our audit.


Colin Vaughan
Statutory Auditor
For and on behalf of
PricewaterhouseCoopers Limited

13th March 2013

Gibraltar Joinery and Building Services Limited and its subsidiary 5**Consolidated profit and loss account for the year ended 31 December 2010**

	Note	2010 £	2009 £
Turnover - continuing operations	3	69,187,677	37,721,414
Cost of sales		(67,257,640)	(36,176,900)
Gross profit		1,930,037	1,544,514
Administrative expenses		(1,648,457)	(817,199)
Operating profit - continuing operations	4	281,580	727,315
Other income	7	6,352	10,008
Interest receivable and similar income	8	980	2,149
Interest payable and similar charges		(3,933)	-
Profit on ordinary activities before taxation		284,979	739,472
Taxation	9	64,987	(162,651)
Retained profit for the year	17	349,966	576,821

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

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

Gibraltar Joinery and Building Services Limited and its subsidiary 6

Consolidated balance sheet as at 31 December 2010

	Note	2010		2009	
		Group £	Company £	Group £	Company £
Fixed assets					
Tangible assets	10	2,091,140	2,091,140	1,554,227	1,554,227
Investments	11	-	5,000	-	5,000
		2,091,140	2,096,140	1,554,227	1,559,227
Current assets					
Stocks	12	723,436	723,436	442,613	442,613
Debtors	13	11,662,203	11,662,203	5,107,799	5,107,799
Cash at bank and in hand	20	3,710,183	3,710,183	2,242,166	2,242,166
		16,095,822	16,095,822	7,792,578	7,792,578
Creditors: amounts falling due within one year	14	(15,271,143)	(15,276,143)	(6,780,952)	(6,785,952)
Net current assets		824,679	819,679	1,011,626	1,006,626
Total assets less current liabilities		2,915,819	2,915,819	2,565,853	2,565,853
Provision for liabilities and charges	15	(63,706)	(63,706)	(63,706)	(63,706)
Net assets		2,852,113	2,852,113	2,502,147	2,502,147
Capital and reserves					
Called up share capital	16	1,000,000	1,000,000	1,000,000	1,000,000
Profit and loss account	17	1,852,113	1,852,113	1,502,147	1,502,147
Total shareholders' funds	18	2,852,113	2,852,113	2,502,147	2,502,147

The financial statements on pages 5 to 20 were approved by the board of directors on ...19 FEB 2013 and were signed on its behalf by:


M Estella
Managing Director


W A Crisp
Director

Gibraltar Joinery and Building Services Limited and its subsidiary 7

Consolidated cash flow statement for the year ended 31 December 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	19	2,428,938	1,749,198
Return on investments and servicing of finance			
Interest paid		(3,933)	-
Interest received on bank deposits		980	2,149
Net cash (outflow)/inflow from return on investments and servicing of finance		(2,953)	2,149
Taxation		(24,071)	(23,033)
Capital expenditure and financial investment			
Proceeds on sale of tangible fixed assets		800	1,000
Purchase of tangible fixed assets	10	(984,697)	(703,415)
Net cash outflow from capital expenditure and financial investment		(983,897)	(702,415)
Net cash inflow before financing		1,418,017	1,025,899
Financing			
Increase in short-term Government advances		50,000	698,000
Net cash inflow from financing		50,000	698,000
Net increase in cash	20	1,468,017	1,723,899

Reconciliation of net cash flow to movement in net funds

	Note	2010 £	2009 £
Net increase in cash during the year		1,468,017	1,723,899
Movement in short term Government advances		(50,000)	(698,000)
Movement in net funds for the year	20	1,418,017	1,025,899
Net funds at 1 January		1,099,166	73,267
Net funds at 31 December	20	2,517,183	1,099,166

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

The financial statements of Gibraltar Joinery and Building Services Limited and its subsidiary (together "the group") have been prepared under the historical cost convention, the accounting policies set out below, applicable legislation and in accordance with Gibraltar Accounting Standards.

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

Basis of consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The subsidiary company's period end is 31 December 2010.

The company has opted for the exemption from preparing its own profit and loss account and related notes available under section 10(3) of the Companies (Consolidated Accounts) Act.

Investments

Investment in subsidiaries are accounted for at cost less impairment.

Turnover

Turnover comprises the value of work undertaken on construction contracts during the year and the value of other ancillary goods and services supplied.

Turnover on contracts in progress, with total costs greater than £5,000, is recognised according to the stage reached in the contract by reference to the value of the 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. Costs include all direct expenditure and production overheads based on a normal level of activity.

Rental income

Rental income 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.

Notes to the financial statements for the year ended 31 December 2010 - continued

1 Accounting policies - continued

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

Assets under construction represent materials, labour and other costs directly associated with the construction of an extension to the existing office premises. No depreciation is charged on the assets under construction until such time as construction is complete.

Impairment

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 defined-contribution scheme. The cost of the contribution is charged against the profit or loss in the period to which the contribution relates.

Stocks and work-in-progress

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.

Notes to the financial statements for the year ended 31 December 2010 - continued

1 Accounting policies - continued

Long-term contracts (continued)

The amount of long term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work-in-progress and stock as long term contract balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts. Payments in excess of recorded turnover and long term contract balances are included in creditors as payments received on account on long term contracts. The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is included within creditors.

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.

Operating leases

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

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.

Deferred tax is measured on a non-discounted basis.

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.

Going concern

In assessing going concern, the directors have considered the period ending 12 months from the balance sheet date.

Notes to the financial statements for the year ended 31 December 2010 - continued**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 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 to 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. The company maintain short-term flexibility in funding by receipt of advance payments from the Government in proportion to the work completed prior to the actual certification by Government surveyors.

(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 advance provided by the Government of Gibraltar is interest free.

3 Segmental reporting

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

	Group and company 2010 £	Group and company 2009 £
Analysis of turnover		
Government of Gibraltar departments and sponsored bodies	69,133,638	37,161,509
Commercial work	54,039	559,905
	69,187,677	37,721,414

Notes to the financial statements for the year ended 31 December 2010 - continued

4 Operating profit

	2010		2009	
	Group £	Company £	Group £	Company £
Operating profit is stated after charging:				
Wages and salaries (including directors emoluments)	7,682,573	3,915,454	5,079,899	3,450,933
Social security costs	421,399	204,225	255,206	159,931
Other pension costs (see note 21)	225,183	225,183	197,954	197,954
Staff costs	8,329,155	4,344,862	5,533,059	3,808,818
Depreciation of tangible fixed assets	447,784	447,784	288,841	288,841
Profit on sale of tangible fixed assets	(800)	(800)	(1,000)	(1,000)

5 Employee information

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

	2010		2009	
	Group No.	Company No.	Group No.	Company No.
By activity:				
Production	179	89	183	93
Administration	33	33	13	13
	212	122	196	106

6 Directors emoluments

The company's Directors did not receive emoluments from the Company for their services as Directors during the year (2009: nil). One Director receives emoluments in his capacity as the Managing Director of the Company and under the provisions of the Companies (Accounts) Act 1999 [schedule 7, paragraph 3] these emoluments are not disclosed.

One of the directors participates in a defined-contribution scheme.

Gibraltar Joinery and Building Services Limited and its subsidiary 13

Notes to the financial statements for the year ended 31 December 2010 - continued

7 Other income

	Group and Company 2010 £	Group and Company 2009 £
Rental income receivable	6,352	9,969
Other income	-	39
	6,352	10,008

8 Interest receivable and similar income

	Group and Company 2010 £	Group and Company 2009 £
Bank interest receivable	980	2,149

9 Tax on profit on ordinary activities - group

(a) Analysis of tax charge for the year

	2010 £	2009 £
Current tax		
Gibraltar corporation tax (credit)/charge for the financial year	(64,987)	141,278
Deferred tax		
Origination and reversal of timing differences (see note 15)	-	21,373
Tax on profit on ordinary activities	(64,987)	162,651

Gibraltar Joinery and Building Services Limited and its subsidiary 14

Notes to the financial statements for the year ended 31 December 2010 - continued

9 Tax on profit on ordinary activities – group (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.

	2010 £	2009 £
Profit on ordinary activities before tax	284,979	739,472
Notional tax at 22% (2009: 22%)	62,695	162,684
Effects of:		
Non taxable income	(392)	(473)
Disallowable expenses	110	440
Cessation rules	(193,972)	-
Losses available to carry forward	65,500	-
Wear and tear allowances in excess of depreciation	1,072	(21,373)
Current tax (credit)/charge for the year	(64,987)	141,278

10 Tangible assets - group and company

	Motor vehicles £	Fixed plant, machinery & equipment £	Office equipment £	Buildings & improvements to premises £	Total £
Cost					
At 1 January 2010	756,487	1,288,249	198,589	718,665	2,961,990
Additions	347,910	525,050	111,737	-	984,697
Disposals	(15,873)	-	-	-	(15,873)
At 31 December 2010	1,088,524	1,813,299	310,326	718,665	3,930,814
Accumulated depreciation					
At 1 January 2010	441,924	698,731	175,586	91,522	1,407,763
Charge for the year	173,811	218,852	28,459	26,662	447,784
Disposal	(15,873)	-	-	-	(15,873)
At 31 December 2010	599,862	917,583	204,045	118,184	1,839,674
Net book value					
At 31 December 2010	488,662	895,716	106,281	600,481	2,091,140
At 31 December 2009	314,563	589,518	23,003	627,143	1,554,227

Gibraltar Joinery and Building Services Limited and its subsidiary 15

Notes to the financial statements for the year ended 31 December 2010 - continued

11 Fixed asset investments - company

	2010 £	2009 £
Cost		
At 1 January	5,000	-
Additions	-	5,000
Provision for impairment	-	-
At 31 December	5,000	5,000

Investments comprise:

	Country of incorporation	Number of shares held	% owned	Cost (£)
Gibraltar General Construction Company Limited	Gibraltar	5,000 ordinary shares of £1 each	100%	5,000

Gibraltar General Construction Company Limited

Gibraltar General Construction Company Limited was incorporated in Gibraltar on 3 August 2009. The principal activity of the company is to provide subcontractor labour to Gibraltar Joinery and Building Services Limited.

The company acquired the entire share capital on the date of incorporation for a consideration of £5,000.

The latest available unaudited financial statements, as at 31 December 2010, show the following:

	2010 £
Total shareholders' funds	
Result for the period	-
Retained profit brought forward	-
Accumulated loss carried forward	-
Called up share capital	5,000
Net assets	5,000

Provision for impairment in value

The directors' have reviewed the carrying value of the investment and no provision is deemed necessary.

Gibraltar Joinery and Building Services Limited and its subsidiary 16

Notes to the financial statements for the year ended 31 December 2010 - continued

12 Stocks

	Group and Company 2010 £	Group and Company 2009 £
Raw materials and consumables	284,659	194,199
Short term work in progress	438,777	248,414
	723,436	442,613

13 Debtors

	Group and Company 2010 £	Group and Company 2009 £
Amounts falling due within one year:		
Trade debtors	2,019,896	1,117,201
Other debtors	163,896	179,761
Amounts recoverable on contracts	9,478,411	3,810,837
	11,662,203	5,107,799

14 Creditors: amounts falling due within one year

	2010		2009	
	Group £	Company £	Group £	Company £
Government of Gibraltar - short term advance	1,193,000	1,193,000	1,143,000	1,143,000
Trade creditors	8,659,502	8,659,502	3,691,766	3,691,766
Other creditors	(52,404)	(90,844)	16,000	16,000
Taxation and social security	378,139	278,920	467,040	467,040
Corporation tax payable	74,807	74,807	163,869	163,869
Amounts due to subsidiary undertaking	-	998,043	-	498,639
Amount due to group undertakings	855,384	-	498,639	5,000
Provision for future losses on contracts	2,184,940	2,184,940	-	-
Deferred income	1,894,269	1,894,269	748,442	748,442
Accruals	83,506	83,506	52,196	52,196
	15,271,143	15,276,143	6,780,952	6,785,952

Gibraltar Joinery and Building Services Limited and its subsidiary 17

Notes to the financial statements for the year ended 31 December 2010 - continued

14 Creditors: amounts falling due within one year - continued

Included in other creditors are pension contributions payable amounting to £0 (2009: £10,782).

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

15 Provision for liabilities and charges

	Group and Company 2010 £	Group and Company 2009 £
At 1 January	(63,706)	(42,333)
Movement to the profit and loss account (see note 9)	-	(21,373)
At 31 December	(63,706)	(63,706)

	Group and Company 2010 £	Group and Company 2009 £
Deferred taxation provided in the accounts comprises		
Accelerated capital allowances	63,706	63,706

16 Called up share capital - group

	2010 £	2009 £
Authorised, allotted and fully paid		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000

17 Profit and loss account

	Group and Company 2010 £	Group and Company 2009 £
At 1 January	1,502,147	925,326
Profit for the year	349,966	576,821
At 31 December	1,852,113	1,502,147

Gibraltar Joinery and Building Services Limited and its subsidiary 18

Notes to the financial statements for the year ended 31 December 2010 - continued

18 Reconciliation of movement in shareholders' funds

	Group and Company 2010 £	Group and Company 2009 £
Profit for the year	349,966	576,821
At 1 January	2,502,147	1,925,326
At 31 December	2,852,113	2,502,147

19 Cash flow from operating activities - group

	Group 2010 £	Group 2009 £
Operating profit	281,580	727,315
Depreciation of tangible fixed assets	447,784	288,841
Profit on sale of tangible fixed assets	(800)	(1,000)
Other income	6,352	10,008
(Increase)/decrease in stocks	(280,823)	92,310
Increase in trade debtors	(902,695)	(322,457)
Increase in other debtors and amounts recoverable on contracts	(5,651,709)	(2,227,601)
Increase in trade creditors	4,967,732	1,559,260
Increase in amounts due to group entities	356,745	498,639
Increase in provision for future losses	2,184,940	-
(Decrease)/increase in other creditors	(68,404)	9,755
(Decrease)/increase in taxation and social security	(88,901)	362,527
Increase in deferred income	1,145,827	718,411
Increase in accruals	31,310	33,190
Net cash inflow from operating activities	2,428,938	1,749,198

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Notes to the financial statements for the year ended 31 December 2010 - continued

20 Analysis of changes in net funds - group

	1 January 2010 £	Cash flow £	31 December 2010 £
Cash at bank and in hand	2,242,166	1,468,017	3,710,183
Government advance	(1,143,000)	(50,000)	(1,193,000)
Net balance	1,099,166	1,418,017	2,517,183

21 Pension commitments - company

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 4.

22 Related party transactions - group

The directors consider that the transactions during the year with related parties and outstanding balances at 31 December 2010 with related parties are as below.

	Government departments and their sponsored bodies 2010 £	Government departments and their sponsored bodies 2009 £
Profit and loss account		
Turnover	69,187,677	37,161,509
Direct costs	-	(96,709)
Balance Sheet:		
Trade debtors	1,738,407	738,747
Short term advance with Government of Gibraltar	(1,193,000)	(1,143,000)
Taxation and social security	(378,139)	(467,040)
Corporation tax	(74,807)	(163,869)
Work in progress	438,777	235,569
Short term advance with GIH Limited and GRP Limited	(855,384)	(498,639)
Unpaid share capital	-	(5,000)
Creditor	(28,582)	(28,582)
Amounts recoverable on long term contracts	9,478,411	3,635,815
Provision for future losses on contracts	(2,184,940)	-
Deferred income	(1,894,269)	(748,442)

Gibraltar Joinery and Building Services Limited and its subsidiary 20

Notes to the financial statements for the year ended 31 December 2010 - continued

22 Related party transactions – group (continued)

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.

23 Ultimate 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 2010. 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 Investment (Holdings) Limited produces consolidated financial statements, which incorporates the results of Gibraltar Joinery and Building Services Limited. Consolidated accounts are not publicly available.

24 Post balance sheet events

On 30 June 2011 an additional 5,000 ordinary shares in Gibraltar General Construction Company Limited were issued to Gibraltar Joinery and Building Services Limited at a nominal value of £1.00 each.

Furthermore, on 1 September 2012 a special resolution was passed during an extraordinary general meeting of Gibraltar General Construction Company Limited increasing the existing issued share capital from £10,000 to £1,600,000 and confirming the transfer of the entire shareholding in Gibraltar General Construction Company Limited from Gibraltar Joinery and Building Services to Economic Development & Employment Company Limited at nominal value.

During August 2012 the entire workforce of Gibraltar General Construction Company Limited were made redundant.