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* GIBRALTAR *

Gibraltar Joinery and Building Services Limited

Annual report
for the year ended 31 December 2009

Registered number: 25860

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

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GIBRALTAR JOINERY AND BUIL
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ANNUAL FILING OF ACCOUNTS
YEAR ENDING 31/12/2009

Gibraltar Joinery and Building Services Limited

Annual report for the year ended 31 December 2009

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009.

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 for the year under review amounted to £37.72M (2008: £22.86M). The Company is currently involved in a number of significant projects such as the Mid-Town Housing, demolition and conversion works at the old St. Bernard's Hospital, refurbishment and conversion works at the old Naval Hospital and the refurbishment of the Law Courts. Works in connection with the projected new terminal at North Front and its south road access for the tunnel contractor are continuing, while the new prison at Lathbury was completed on 15 August 2010.

Results and dividends

The company made a profit after taxation during the year of £576,821 (2008: £124,744). No dividends were declared or paid during the year (2008: £nil).

The profit of £576,821 (2008: £124,744) was transferred to reserves.

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:

	2009	2008	2007
Profitability			
Gross profit margin	4.09%	3.49%	6.48%
Net profit margin	1.96%	0.65%	1.18%
Financial strength			
Current ratio	1.14	1.30	1.38
Quick ratio	1.08	1.11	1.01
Effectiveness			
Return on capital employed	29.55%	7.72%	6.90%

Directors' report for the year ended 31 December 2009 - 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)

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 period 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 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,

6 JUN 2011

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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 2009 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 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 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 2009 and of its profit for the year then ended.

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

Directors: Edgar C Lavarello Colin Vaughan Barry Pilans
Registered in Gibraltar: Number 94799

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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 Companies Act, the Companies (Accounts) Act 1999, the Companies (Consolidated Accounts) Act 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 Companies Act, the Companies (Accounts) Act 1999, the Companies (Consolidated Accounts) Act 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 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.

Barry Pillans
Statutory auditor
For and on behalf of
PricewaterhouseCoopers Limited
6 June 2011

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover - continuing operations	3	37,721,414	22,855,349
Cost of sales		(36,176,900)	(22,057,733)
Gross profit		1,544,514	797,616
Administrative expenses		(817,199)	(664,759)
Operating profit - continuing operations	4	727,315	132,857
Other income	7	10,008	7,493
Interest receivable and similar income	8	2,149	8,235
Profit on ordinary activities before taxation		739,472	148,585
Taxation	9	(162,651)	(23,841)
Profit for the year	17	576,821	124,744

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 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	10	1,554,227	1,139,653
Investments	11	5,000	-
Current assets			
Stocks	12	442,613	534,923
Debtors	13	5,107,799	2,557,741
Cash at bank and in hand	20	2,242,166	518,267
		7,792,578	3,610,931
Creditors: amounts falling due within one year	14	(6,785,952)	(2,782,925)
Net current assets		1,006,626	828,006
Total assets less current liabilities		2,565,853	1,967,659
Provision for liabilities and charges	15	(63,706)	(42,333)
Net assets		2,502,147	1,925,326
Capital and reserves			
Called up share capital	16	1,000,000	1,000,000
Profit and loss account	17	1,502,147	925,326
Total shareholders' funds	18	2,502,147	1,925,326

The financial statements on pages 5 to 20 were approved by the board of directors on 6 JUN 2011 and were signed on its behalf by:

M Estella
Managing Director

W A Crisp
Director

Cash flow statement for the year ended 31 December 2009

	Note	2009 £	2008 £
Net cash inflow from operating activities	19	1,749,198	352,660
Return on investments and servicing of finance			
Interest received on bank deposits		2,149	8,235
Net cash inflow from return on investments and servicing of finance		2,149	8,235
Taxation		(23,033)	-
Capital expenditure and financial investment			
Proceeds on sale of tangible fixed assets		1,000	-
Purchase of tangible fixed assets	10	(703,415)	(282,893)
Net cash outflow from capital expenditure and financial investment		(702,415)	(282,893)
Net cash inflow before financing		1,025,899	78,002
Financing			
Increase/(decrease) in short-term Government advances		698,000	(96,638)
Net cash outflow from financing		698,000	(96,638)
Net increase/(decrease) in cash	20	1,723,899	(18,636)

Reconciliation of net cash flow to movement in net funds

	Note	2009 £	2008 £
Net increase/(decrease) in cash during the year		1,723,899	(18,636)
Movement in short term Government advances		(698,000)	96,638
Movement in net funds for the year	20	1,025,899	78,002
Net debt at 1 January		73,267	(4,735)
Net funds at 31 December	20	1,099,166	73,267

Notes to the financial statements for the year ended 31 December 2009

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, the Companies (Accounts) Act 1999 and the Companies (Consolidated Accounts) Act.

Consolidation

These financial statements contain information about Gibraltar Joinery and Building Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company and its subsidiary undertaking are required to be included in the consolidated financial statements of its immediate parent, Gibraltar Investment Holdings Limited, a company incorporated in Gibraltar.

Investments

Investments in subsidiaries are accounted for at cost less any provision for impairment.

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.

Turnover on contracts in progress 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 nomal 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 2009 - 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 2009 - 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 either provisions for liabilities and charges or creditors, as appropriate.

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.

Notes to the financial statements for the year ended 31 December 2009 - 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.

	2009 £	2008 £
Analysis of turnover		
Government of Gibraltar departments and sponsored bodies	37,161,509	21,890,514
Commercial work	559,905	964,835
	37,721,414	22,855,349

Notes to the financial statements for the year ended 31 December 2009 - continued

4 Operating profit

	2009 £	2008 £
Operating profit is stated after charging:		
Wages and salaries (including directors emoluments)	3,450,933	2,972,314
Social security costs	159,931	140,509
Other pension costs (see note 21)	197,954	186,726
Staff costs	3,808,818	3,299,549
Depreciation of tangible fixed assets	288,841	224,401
Profit on sale of tangible fixed assets	(1,000)	-

5 Employee information

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

	2009 No.	2008 No.
By activity:		
Production	93	89
Administration	13	13
	106	102

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

6 Directors emoluments

The company's Directors did not receive emoluments from the Company for their services as Directors during the year (2008: 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.

7 Other income

	2009 £	2008 £
Rental income receivable	9,969	6,534
Other income	39	959
	10,008	7,493

Notes to the financial statements for the year ended 31 December 2009 - continued

8 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	2,149	8,235

9 Tax on profit on ordinary activities

(a) Analysis of tax charge for the year

	2009 £	2008 £
Current tax		
Gibraltar corporation tax for the financial year at 22% (2008: 22%)	141,278	24,608
Deferred tax		
Origination and reversal of timing differences (see note 15)	21,373	(767)
Tax on profit on ordinary activities	162,651	23,841

(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.

	2009 £	2008 £
Profit on ordinary activities before tax	739,472	148,585
Notional tax at 22% (2008: 22%)	162,684	32,689
Effects of:		
Bank interest received not subject to taxation	(473)	(1,812)
Expenses not deductible for tax purposes	440	739
Wear and tear allowances in excess of depreciation	(21,373)	(7,008)
Current tax charge for the year	141,278	24,608

Notes to the financial statements for the year ended 31 December 2009 - continued

10 Tangible assets

	Motor vehicles £	Fixed plant, machinery & equipment £	Office equipment £	Buildings & improvements to premises £	Assets under construction £	Total £
Cost						
At 1 January 2009	637,323	888,388	190,307	644,686	-	2,360,704
Additions	221,253	399,861	8,282	21,909	52,110	703,415
Disposals	(22,428)	-	-	-	-	(22,428)
At 31 December 2009	836,148	1,288,249	198,589	666,595	52,110	3,041,691
Accumulated depreciation						
At 1 January 2009	415,518	581,522	158,988	65,023	-	1,221,051
Charge for the year	128,536	117,209	16,598	26,498	-	288,841
Disposal	(22,428)	-	-	-	-	(22,428)
At 31 December 2009	521,626	698,731	175,586	91,521	-	1,487,464
Net book value					-	
At 31 December 2009	314,522	589,518	23,003	575,074	52,110	1,554,227
At 31 December 2008	221,805	306,866	31,319	579,663	-	1,139,653

Assets under construction represent an extension to the existing office premises which had not been completed as at 31 December 2009.

11 Fixed asset investments

	2009 £	2008 £
Cost		
At 1 January	-	-
Additions	5,000	-
At 31 December	5,000	-

Notes to the financial statements for the year ended 31 December 2009 - continued

11 Fixed asset investments - continued

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 principle 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 consideration is included in amounts due to a group undertaking in note 15.

The latest available unaudited management accounts, as at 31 December 2009, show the following:

Total shareholders' funds	2009 £	2008 £
Loss for the year	(1,510)	-
Retained profit brought forward	-	-
Accumulated loss carried forward	(1,510)	-
Called up share capital	5,000	-
Net assets	3,490	-

12 Stocks

	2009 £	2008 £
Raw materials and consumables	194,199	274,726
Short term work in progress	248,414	260,197
	442,613	534,923

Notes to the financial statements for the year ended 31 December 2009 - continued

13 Debtors

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	1,117,201	794,744
Other debtors	179,761	72,647
Amounts recoverable on contracts	3,810,837	1,690,350
	5,107,799	2,557,741

14 Creditors: amounts falling due within one year

	2009 £	2008 £
Government of Gibraltar - short term advance	1,143,000	445,000
Trade creditors	3,691,766	2,132,506
Other creditors	16,000	6,245
Taxation and social security	467,040	104,513
Corporation tax payable	163,869	45,624
Amounts due to subsidiary undertaking	498,639	-
Amount due to group undertaking	5,000	-
Payments received on account	748,442	30,031
Accruals	52,196	19,006
	6,785,952	2,782,925

Included in other creditors are pension contributions payable amounting to £10,782 (2008: £nil).

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

	2009 £	2008 £
At 1 January	(42,333)	(43,100)
Movement to the profit and loss account (see note 9)	(21,373)	767
At 31 December	(63,706)	(42,333)

Notes to the financial statements for the year ended 31 December 2009 - continued

15 Provision for liabilities and charges - continued

	2009 £	2008 £
Deferred taxation provided in the accounts comprises		
Accelerated capital allowances	(63,706)	(42,333)

16 Called up share capital

	2009 £	2008 £
Authorised, allotted and fully paid		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000

17 Profit and loss account

	2009 £	2008 £
At 1 January	925,326	800,582
Profit for the year	576,821	124,744
At 31 December	1,502,147	925,326

18 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Profit for the year	576,821	124,744
At 1 January	1,925,326	1,800,582
At 31 December	2,502,147	1,925,326

Notes to the financial statements for the year ended 31 December 2009 - continued

19 Cash flow from operating activities

	2009 £	2008 £
Operating profit	727,315	132,857
Depreciation of tangible fixed assets	288,841	224,401
Profit on sale of tangible fixed assets	(1,000)	-
Other income	10,008	7,493
Decrease in stocks	92,310	203,216
Increase in trade debtors	(322,457)	(66,111)
Increase in other debtors and amounts recoverable on contracts	(2,227,601)	(998,632)
Increase in trade creditors	1,559,260	1,236,760
Increase in amounts due to subsidiary	498,639	-
Increase/(decrease) in other creditors	9,755	(3,102)
Increase/(decrease) in taxation and social security	362,527	(164,737)
Increase/(decrease) in payments received on account	718,411	(211,302)
Increase/(decrease) in accruals and deferred income	33,190	(8,183)
Net cash inflow from operating activities	1,749,198	352,660

20 Analysis of changes in net funds

	1 January 2009 £	Cash flow £	31 December 2009 £
Cash at bank and in hand	518,267	1,723,899	2,242,166
Government advance	(445,000)	(698,000)	(1,143,000)
Net funds	73,267	1,025,899	1,099,166

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 4.

Notes to the financial statements for the year ended 31 December 2009 - continued

22 Related parties

The directors consider the following to be related parties.

	Government departments and their sponsored bodies 2009 £	Gibraltar General Construction Company Limited 2009 £	Government departments and their sponsored bodies 2008 £	Gibraltar General Construction Company Limited 2008 £
Profit and loss account				
Turnover	37,161,509	-	21,890,514	-
Direct costs	(96,709)	(1,724,239)	-	-
Balance Sheet:				
Trade debtors	738,747	-	514,875	-
Short term advance	(1,143,000)	-	(445,000)	-
Taxation and social security	(467,040)	-	(104,513)	-
Corporation tax	(163,869)	-	(45,624)	-
Work in progress	235,569	-	-	-
Unpaid share capital	(5,000)	-	-	-
Creditor	(28,582)	(498,639)	-	-
Amounts recoverable on contracts	3,635,815	-	1,587,609	-
Payments received on account	748,442	-	(30,031)	-

Gibraltar General Construction Company Limited is a 100% wholly owned subsidiary of the company. (see note 11).

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.

Specialist asbestos removal services were undertaken by HSE Consulting Limited (HSE) during the year. All contracts with HSE are awarded after following the company's standard tendering procedures, on normal commercial terms and at arms length. 87% of the value of the payments made in 2009 under these contracts were valued, certified and approved by external experts employed directly by the Government of Gibraltar to oversee such major construction projects. HSE Consulting Limited (HSE) is a related party by virtue of a close family relationship.

Notes to the financial statements for the year ended 31 December 2009 – continued

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 2009. 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.