

Company Registration No. 1337673 (England and Wales)

BUILDING SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2006



BUILDING SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	D J Brennan C A E Brennan A M Sills A A B McKenna G F Cook S J Williams	(Appointed 1 November 2005) (Appointed 1 November 2005)
Secretary	C A E Brennan	
Company number	1337673	
Registered office	Abbey House Ashville Road Gloucester Gloucestershire Great Britain GL2 5EU	
Auditors	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT	
Business address	Abbey House Ashville Road Gloucester Gloucestershire Great Britain GL2 5EU	

BUILDING SOLUTIONS LIMITED

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BUILDING SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2006

The directors present their report and financial statements for the year ended 31 October 2006

Principal activities and review of the business

The company's principal activities continue to that of building restoration, refurbishment and repair with specialist areas of timber preservation, waterproofing, concrete repair and reconstruction work for the insurance sector

The directors are satisfied with the performance of the company for the year under review, following a return to profitability. The directors view the future with confidence.

The key business risk and uncertainty that face the company is considered to be a downturn in the economy and the construction industry specifically. Consequently the directors consider future rises in the interest rates to be the key financial risk in the next 12 months.

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 November 2005

D J Brennan	
C A E Brennan	
A M Sills	
A A B McKenna	
G F Cook	(Appointed 1 November 2005)
S J Williams	(Appointed 1 November 2005)

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 October 2006	1 November 2005
D J Brennan	-	-
C A E Brennan	-	-
A M Sills	-	-
A A B McKenna	-	-
G F Cook	-	-
S J Williams	-	-

The directors have no direct interest in the shares of this company.

The company is a wholly owned subsidiary of The Abbey Group of Gloucester Limited. The directors' interests in the shares of The Abbey Group of Gloucester Limited are shown in the directors' report of that company.

BUILDING SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2006

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hazlewoods LLP be reappointed as auditors of the company will be put to the Annual General Meeting

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A M Sills

Director

24 APRIL 2007

BUILDING SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BUILDING SOLUTIONS LIMITED

We have audited the financial statements of Building Solutions Limited on pages 5 to 17 for the year ended 31 October 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BUILDING SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BUILDING SOLUTIONS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements


Hazlewoods LLP

24 APRIL 2007

Chartered Accountants
Registered Auditor

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

BUILDING SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2006

	Notes	2006 £	2005 £
Turnover	2	5,781,308	5,607,821
Cost of sales - normal		(4,520,037)	(4,504,474)
Cost of sales - exceptional		-	(102,974)
Gross profit		1,261,271	1,000,373
Administrative expenses		(1,062,909)	(1,085,273)
Operating profit/(loss)	3	198,362	(84,900)
Other interest receivable and similar income	4	474	-
Interest payable and similar charges	5	(20,195)	(19,678)
Profit/(loss) on ordinary activities before taxation		178,641	(104,578)
Tax on profit/(loss) on ordinary activities	6	(50,804)	14,146
Profit/(loss) for the year	15	127,837	(90,432)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BUILDING SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	8		229,630		238,402
Current assets					
Stocks	9	73,671		170,165	
Debtors	10	962,347		852,017	
Cash at bank and in hand		400		-	
		<u>1,036,418</u>		<u>1,022,182</u>	
Creditors: amounts falling due within one year	11	<u>(923,182)</u>		<u>(982,627)</u>	
Net current assets			113,236		39,555
Total assets less current liabilities			342,866		277,957
Creditors amounts falling due after more than one year	12		(60,248)		(102,451)
Provisions for liabilities	13				
Deferred tax liability			(9,349)		(5,074)
			<u>273,269</u>		<u>170,432</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		273,169		170,332
Shareholders' funds	16		<u>273,269</u>		<u>170,432</u>

Approved by the Board and authorised for issue on

24 APRIL 2007



A M Sills
Director

BUILDING SOLUTIONS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2006

	£	2006 £	£	2005 £
Net cash inflow from operating activities		157,404		1,931
Returns on investments and servicing of finance				
Interest received	474		-	
Interest paid	(20,195)		(19,678)	
Net cash outflow for returns on investments and servicing of finance		(19,721)		(19,678)
Taxation		22,422		(26,256)
Capital expenditure				
Payments to acquire tangible assets	(16,386)		(11,169)	
Receipts from sales of tangible assets	23,100		26,927	
Net cash inflow for capital expenditure		6,714		15,758
Equity dividends paid		(25,000)		(25,001)
Net cash inflow/(outflow) before management of liquid resources and financing		141,819		(53,246)
Financing				
Other new long term loans	(50,000)		50,000	
Capital element of hire purchase contracts	(75,910)		(68,255)	
Net cash outflow from financing		(125,910)		(18,255)
Increase in cash in the year		15,909		(71,501)

BUILDING SOLUTIONS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2006

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2006		2005	
		£		£	
	Operating profit/(loss)	198,362		(84,900)	
	Depreciation of tangible assets	82,212		81,062	
	Loss on disposal of tangible assets	4,897		3,409	
	Decrease/(increase) in stocks	96,494		(93,831)	
	(Increase)/decrease in debtors	(132,372)		223,163	
	Decrease in creditors within one year	(92,189)		(126,972)	
	Net cash inflow from operating activities	157,404		1,931	
2	Analysis of net debt	1 November 2005	Cash flow	Other non-cash changes	31 October 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	-	400	-	400
	Bank overdrafts	(143,937)	15,509	-	(128,428)
		(143,937)	15,909	-	(128,028)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(116,484)	(9,141)	-	(125,625)
	Other loans	(50,000)	50,000	-	-
	Net debt	(310,421)	56,768	-	(253,653)
3	Reconciliation of net cash flow to movement in net debt	2006		2005	
		£		£	
	Increase/(decrease) in cash in the year	15,909		(71,501)	
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	40,859		(76,780)	
	Movement in net debt in the year	56,768		(148,281)	
	Opening net debt	(310,421)		(162,140)	
	Closing net debt	(253,653)		(310,421)	

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2006

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies all of which are in accordance with applicable Accounting Standards

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over the period of the lease
Plant and machinery	20 - 30% of cost per annum
Fixtures, fittings & equipment	20% of cost per annum
Motor vehicles	20% of cost per annum

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal

1.6 Deferred taxation

In accordance with Financial Reporting Standard (FRS) 19 Deferred Tax, full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted. No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted

2 Turnover

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

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **for the year ended 31 October 2006**

3	Operating profit/(loss)	2006	2005
		£	£
	Operating profit/(loss) is stated after charging		
	Depreciation of tangible assets	82,212	81,062
	Loss on disposal of tangible assets	4,897	3,409
	Auditors' remuneration	4,750	3,250
		<u> </u>	<u> </u>

The exceptional cost of sale in the prior year relate to a loss incurred on one specific contract in the year

4	Investment income	2006	2005
		£	£
	Other interest	474	-
		<u> </u>	<u> </u>

5	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	8,203	6,272
	Hire purchase interest	11,992	13,406
		<u> </u>	<u> </u>
		<u>20,195</u>	<u>19,678</u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2006

6	Taxation	2006 £	2005 £
	Domestic current year tax		
	U K corporation tax	46,909	(16,223)
	Adjustment for prior years	(380)	-
	Current tax charge	46,529	(16,223)
	Deferred tax		
	Deferred tax (credit)/charge	4,275	2,077
		50,804	(14,146)
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	178,641	(104,578)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 19.00%)	53,592	(19,870)
	Effects of		
	Non deductible expenses	2,304	4,547
	Depreciation add back	24,664	15,402
	Capital allowances	(26,464)	(16,950)
	Loss on disposal of fixed assets	1,469	648
	Small companies relief	(8,656)	-
	Adjustments to previous periods	(380)	-
		(7,063)	3,647
	Current tax charge	46,529	(16,223)
7	Dividends	2006 £	2005 £
	Ordinary dividend	25,000	25,001

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2006

8 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2005	23,249	43,682	56,425	401,243	524,599
Additions	-	-	29,520	71,917	101,437
Disposals	-	-	-	(74,846)	(74,846)
At 31 October 2006	23,249	43,682	85,945	398,314	551,190
Depreciation					
At 1 November 2005	20,197	40,463	35,477	190,060	286,197
On disposals	-	-	-	(46,849)	(46,849)
Charge for the year	2,620	2,491	6,269	70,832	82,212
At 31 October 2006	22,817	42,954	41,746	214,043	321,560
Net book value					
At 31 October 2006	432	728	44,199	184,271	229,630
At 31 October 2005	3,052	3,219	20,948	211,183	238,402

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 October 2006	-	27,021	133,060	160,081
At 31 October 2005	680	13,424	175,944	190,048
Depreciation charge for the year				
At 31 October 2006	680	3,356	56,459	60,495
At 31 October 2005	1,700	3,356	48,250	53,306

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **for the year ended 31 October 2006**

9 Stocks and work in progress	2006	2005
	£	£
Raw materials and consumables	6,518	6,186
Work in progress	67,153	163,979
	<u>73,671</u>	<u>170,165</u>

10 Debtors	2006	2005
	£	£
Trade debtors	939,757	629,209
Amounts owed by parent and fellow subsidiary undertakings	15,000	40,000
Corporation tax	-	22,042
Prepayments and accrued income	7,590	160,766
	<u>962,347</u>	<u>852,017</u>

Debtors include an amount of £40,134 (2005 £101,950) which is due after more than one year

11 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank overdraft	128,428	143,937
Net obligations under hire purchase contracts	65,377	64,033
Trade creditors	433,436	621,698
Amounts owed to group undertakings	11,070	11,070
Taxation and social security	152,935	101,784
Other creditors	131,936	40,105
	<u>923,182</u>	<u>982,627</u>

The overdraft is secured by way of a fixed and floating charge over all of the company's assets

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2006

12 Creditors: amounts falling due after more than one year	2006 £	2005 £
Other loans	-	50,000
Net obligations under hire purchase contracts	60,248	52,451
	<u>60,248</u>	<u>102,451</u>
Analysis of loans		
Wholly repayable within five years	-	50,000
	<u>-</u>	<u>50,000</u>

Other loans in 2005 comprised loans from directors D J Brennan and A M Sills of £25,000 each. There were no set terms for repayment of these loans. No interest was payable in respect of these loans.

Net obligations under hire purchase contracts

Repayable within one year	65,377	64,033
Repayable between one and five years	60,248	52,451
	<u>125,625</u>	<u>116,484</u>
Included in liabilities falling due within one year	(65,377)	(64,033)
	<u>60,248</u>	<u>52,451</u>

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 November 2005	5,074
Profit and loss account	4,275
	<u>9,349</u>
Balance at 31 October 2006	<u>9,349</u>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	<u>9,349</u>	<u>5,074</u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2006

14 Share capital	2006	2005
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
 15 Statement of movements on profit and loss account		
		Profit and loss account
		£
Balance at 1 November 2005		170,332
Profit for the year		127,837
Dividends paid		(25,000)
		<u> </u>
Balance at 31 October 2006		273,169
		<u> </u>
 16 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit/(Loss) for the financial year	127,837	(90,432)
Dividends	(25,000)	(25,001)
	<u> </u>	<u> </u>
Net addition to/(depletion in) shareholders' funds	102,837	(115,433)
Opening shareholders' funds	170,432	285,865
	<u> </u>	<u> </u>
Closing shareholders' funds	273,269	170,432
	<u> </u>	<u> </u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2006

17 Financial commitments

At 31 October 2006 the company had annual commitments under non-cancellable operating leases as follows

	2006 £	2005 £
Expiry date		
Within one year	30,000	-
Between two and five years	4,220	34,220
	<u>34,220</u>	<u>34,220</u>

18 Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	<u>271,642</u>	<u>123,043</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	<u>68,778</u>	<u>51,917</u>
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19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006 Number	2005 Number
Management, administrative and surveyors	18	18
Tradesmen	45	45
	<u>63</u>	<u>63</u>

Employment costs

	2006 £	2005 £
Wages and salaries	1,381,141	1,374,885
Social security costs	129,371	128,786
	<u>1,510,512</u>	<u>1,503,671</u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2006

20 Control

The ultimate parent company is The Abbey Group of Gloucester Limited, a company registered in Great Britain. The Abbey Group of Gloucester Limited is controlled by D J Brennan, C A E Brennan and A M Sills.

21 Related party transactions

The company leased property owned by the trustees of the Brennan Retirement Fund for a rental of £30,000 (2005 £30,000). D J Brennan and Mrs C A E Brennan are beneficiaries of the Brennan Retirement Fund.

This transaction was on normal market terms.