

Company Registration No. 1337673 (England and Wales)

BUILDING SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2005



BUILDING SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	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)
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 2005

The directors present their report and financial statements for the year ended 31 October 2005.

Principal activities

The principal activities of the Company continue to be building restoration, refurbishment and repair whilst maintaining specialist services in the areas of timber preservation, waterproofing, concrete repair and reconstruction work for the insurance sector. The performance of the Company this year has been severely hampered by one contract which accounts for a significant amount of the overall loss.

The directors look to the future with confidence following a review of the Company's operations.

Directors

The following directors have held office since 1 November 2004:

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 2005	1 November 2004
D J Brennan	-	-
C A E Brennan	-	-
A M Sills	-	-
A A B McKenna	-	-

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.

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.

BUILDING SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

for the year ended 31 October 2005

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 to 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



D J Brennan

Director

23 February 2006

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 4 to 11 for the year ended 31 October 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hazlewoods LLP

Chartered Accountants

Registered Auditor

23 February 2006

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

BUILDING SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 October 2005

	Notes	2005 £	2004 £
Turnover		5,607,821	4,833,799
Cost of sales		(4,504,474)	(3,830,269)
Cost of sales - exceptional	2	(102,974)	-
Gross profit		1,000,373	1,003,530
Administrative expenses		(1,085,273)	(891,706)
Operating (loss)/profit	2	(84,900)	111,824
Interest payable and similar charges		(19,678)	(7,652)
(Loss)/profit on ordinary activities before taxation		(104,578)	104,172
Tax on (loss)/profit on ordinary activities	3	14,146	(16,324)
(Loss)/profit on ordinary activities after taxation		(90,432)	87,848
Dividends		(25,001)	(44,999)
Retained (loss)/profit for the year	10	(115,433)	42,849

BUILDING SOLUTIONS LIMITED

BALANCE SHEET as at 31 October 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	4		238,402		243,596
Current assets					
Stocks		170,165		76,334	
Debtors	5	852,017		1,053,138	
		<u>1,022,182</u>		<u>1,129,472</u>	
Creditors: amounts falling due within one year	6	<u>(982,627)</u>		<u>(1,050,005)</u>	
Net current assets			39,555		79,467
Total assets less current liabilities			<u>277,957</u>		<u>323,063</u>
Creditors: amounts falling due after more than one year	7		(102,451)		(34,201)
Provisions for liabilities and charges	8		<u>(5,074)</u>		<u>(2,997)</u>
			<u>170,432</u>		<u>285,865</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		170,332		285,765
Shareholders' funds			<u>170,432</u>		<u>285,865</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 23 February 2006



D J Brennan
Director

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2005

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied.

1.3 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

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 acquired under hire purchase and finance leases are recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability is included under creditors due within or after one year. The interest element is charged to profit and loss account and represents a constant proportion of the balance of capital repayments outstanding.

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 which the underlying timing differences can be deducted.

2 Operating (loss)/profit	2005	2004
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	81,062	81,054
Auditors' remuneration	3,250	3,000
Directors' emoluments	123,043	128,420

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

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2005

3	Taxation	2005	2004
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 19% (2004- 19%)	(16,223)	20,437
	Deferred taxation	2,077	(4,113)
		<u>(14,146)</u>	<u>16,324</u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2005

4 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 November 2004	23,249	43,682	35,651	405,102	507,684
Additions	-	-	20,774	85,430	106,204
Disposals	-	-	-	(89,289)	(89,289)
At 31 October 2005	23,249	43,682	56,425	401,243	524,599
Depreciation					
At 1 November 2004	17,577	36,689	29,406	180,416	264,088
On disposals	-	-	-	(58,953)	(58,953)
Charge for the year	2,620	3,774	6,071	68,597	81,062
At 31 October 2005	20,197	40,463	35,477	190,060	286,197
Net book value					
At 31 October 2005	3,052	3,219	20,948	211,183	238,402
At 31 October 2004	5,672	6,993	6,245	224,686	243,596

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 2005	680	13,424	175,944	190,048
At 31 October 2004	2,720	-	163,221	165,941
Depreciation charge for the year				
31 October 2005	1,700	3,356	48,250	53,306
31 October 2004	1,360	-	47,449	48,809

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2005

5	Debtors	2005 £	2004 £
	Trade debtors	629,209	834,588
	Amounts owed by group undertakings	40,000	39,826
	Other debtors	182,808	178,724
		<u>852,017</u>	<u>1,053,138</u>

Debtors include an amount of £101,950 which is due after more than one year.

6	Creditors: amounts falling due within one year	2005 £	2004 £
	Bank overdraft	143,937	72,436
	Net obligations under hire purchase contracts	64,033	55,503
	Trade creditors	621,698	672,623
	Amounts owed to group undertakings	11,070	11,070
	Taxation and social security	101,784	160,628
	Other creditors	40,105	77,745
		<u>982,627</u>	<u>1,050,005</u>

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

7	Creditors: amounts falling due after more than one year	2005 £	2004 £
	Net obligations under hire purchase contracts	52,451	34,201
	Other creditors	50,000	-
		<u>102,451</u>	<u>34,201</u>

Analysis of loans

Wholly repayable within five years	50,000	-
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Included within other creditors are loans from directors D J Brennan and A M Sills of £25,000 each. There are no set terms for repayment of these loans. No interest is payable in respect of these loans.

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2005

8 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 November 2004	2,997
Profit and loss account	2,077
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Balance at 31 October 2005	5,074
	<hr/>

Deferred taxation provided in the financial statements is as follows:

	Fully provided 2005 £	2004 £
Accelerated capital allowances	5,074	2,997
	<hr/>	<hr/>

9 Share capital

	2005 £	2004 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2004	285,765
Retained loss for the year	(115,433)
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Balance at 31 October 2005	170,332
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BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2005

11 Financial commitments

At 31 October 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005	2004
	£	£
Expiry date:		
Between two and five years	34,220	34,220
	<u>34,220</u>	<u>34,220</u>

12 Control

The ultimate parent company is The Abbey Group of Gloucester Limited, a company registered in Great Britain.

13 Related party transactions

The company leased property owned by the trustees of the Brennan Retirement Fund for a rental of £30,000 (2004 : £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.