

Company Registration No. 1337673 (England and Wales)

BUILDING SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2004



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BUILDING SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	D J Brennan C A E Brennan A M Sills A A B McKenna
Secretary	C A E Brennan
Company number	1337673
Registered office	Abbey House, Ashville Road Gloucester Glos. Great Britain GL2 5EU
Auditors	Hazlewoods Windsor House Gloucester GL4 3RT
Business address	Abbey House, Ashville Road Gloucester Glos. Great Britain GL2 5EU

BUILDING SOLUTIONS LIMITED

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BUILDING SOLUTIONS LIMITED

DIRECTORS' REPORT

for the year ended 31 October 2004

The directors present their report and financial statements for the year ended 31 October 2004.

Principal activities

The principal activities of the Company have been developed during the year to give a stronger emphasis towards building restoration, refurbishment and repair whilst maintaining the specialist services of timber preservation and waterproofing and concrete repair. This development has been further enhanced by the acquisition of a company dedicated to reconstruction works for the Insurance sector. This foundation has now been established for our continued growth plans that would include further acquisitions if merited.

Directors

The following directors have held office since 1 November 2003:

D J Brennan
C A E Brennan
A M Sills
A A B McKenna

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 October 2004	1 November 2003
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 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 2004

Directors' responsibilities

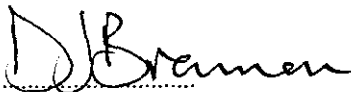
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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

06/01/05

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 2004. 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hazlewoods

Chartered Accountants

Registered Auditor

6 January 2005

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

BUILDING SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 October 2004

	Notes	2004 £	2003 £
Turnover		4,833,799	2,732,680
Cost of sales		(3,770,957)	(1,914,684)
Gross profit		1,062,842	817,996
Administrative expenses		(951,018)	(740,099)
Operating profit	2	111,824	77,897
Interest payable and similar charges		(7,652)	(6,876)
Profit on ordinary activities before taxation		104,172	71,021
Tax on profit on ordinary activities	3	(16,324)	(16,500)
Profit on ordinary activities after taxation		87,848	54,521
Dividends		(44,999)	(35,000)
Retained profit for the year	10	42,849	19,521

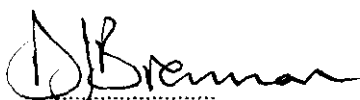
BUILDING SOLUTIONS LIMITED

BALANCE SHEET as at 31 October 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		243,596		249,515
Current assets					
Stocks		76,334		49,815	
Debtors	5	1,053,138		561,886	
Cash at bank and in hand		-		29,926	
		<u>1,129,472</u>		<u>641,627</u>	
Creditors: amounts falling due within one year	6	<u>(1,050,005)</u>		<u>(585,242)</u>	
Net current assets			79,467		56,385
Total assets less current liabilities			<u>323,063</u>		<u>305,900</u>
Creditors: amounts falling due after more than one year	7		(34,201)		(55,687)
Provisions for liabilities and charges	8		<u>(2,997)</u>		<u>(7,110)</u>
			<u>285,865</u>		<u>243,103</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		285,765		243,003
Shareholders' funds			<u>285,865</u>		<u>243,103</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 6th Jan 05



D J Brennan
Director

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 October 2004

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

Stock is 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 profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	81,054	72,629
Auditors' remuneration	3,000	3,000
Directors' emoluments	128,420	134,917

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **for the year ended 31 October 2004**

3 Taxation	2004	2003
	£	£
U.K. current year taxation		
U.K. corporation tax at 19% (2003- 19%)	20,437	16,544
Deferred taxation	(4,113)	(44)
	<hr/>	<hr/>
	16,324	16,500
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BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2004

4 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2003	23,249	41,837	33,412	343,657	442,155
Additions	-	1,845	2,239	95,821	99,905
Disposals	-	-	-	(34,376)	(34,376)
At 31 October 2004	23,249	43,682	35,651	405,102	507,684
Depreciation					
At 1 November 2003	14,958	32,619	27,804	117,259	192,640
On disposals	-	-	-	(9,606)	(9,606)
Charge for the year	2,619	4,070	1,602	72,763	81,054
At 31 October 2004	17,577	36,689	29,406	180,416	264,088
Net book value					
At 31 October 2004	5,672	6,993	6,245	224,686	243,596
At 31 October 2003	8,291	9,218	5,608	226,398	249,515

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 October 2004	2,720	163,221	165,941
At 31 October 2003	4,080	168,131	172,211
Depreciation charge for the year			
31 October 2004	1,360	47,449	48,809
31 October 2003	1,360	38,946	40,306

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2004

5	Debtors	2004 £	2003 £
	Trade debtors	834,588	414,608
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	39,826	-
	Other debtors	178,724	147,278
		<u>1,053,138</u>	<u>561,886</u>

6	Creditors: amounts falling due within one year	2004 £	2003 £
	Bank loans and overdrafts	72,436	-
	Net obligations under hire purchase contracts	55,503	59,200
	Trade creditors	672,623	329,321
	Amounts owed to group undertakings	11,070	61,070
	Taxation and social security	160,628	99,897
	Other creditors	77,745	35,754
		<u>1,050,005</u>	<u>585,242</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	2004 £	2003 £
	Net obligations under hire purchase contracts	<u>34,201</u>	<u>55,687</u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 October 2004

8 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 November 2003	7,110
Profit and loss account	(4,113)
	<u>2,997</u>
Balance at 31 October 2004	<u>2,997</u>

Deferred taxation provided in the financial statements is as follows:

	Fully provided 2004 £	2003 £
Accelerated capital allowances	<u>2,997</u>	<u>7,110</u>

9 Share capital

	2004 £	2003 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2003	242,916
Retained profit for the year	42,849
	<u>285,765</u>
Balance at 31 October 2004	<u>285,765</u>

BUILDING SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **for the year ended 31 October 2004**

11 Financial commitments

At 31 October 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Expiry date:		
Between two and five years	34,220	30,000
	<u>34,220</u>	<u>30,000</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 (2002 : £30,000). D J Brennan and Mrs C A E Brennan are beneficiaries of the Brennan Retirement Fund.

The Company carried out refurbishment work of £100,000 for Cogent Properties Limited, a company wholly owned by D J Brennan.

Both of these transactions were on normal market terms.