

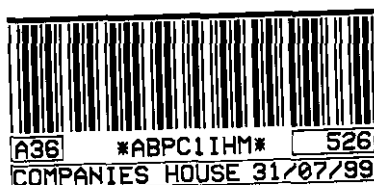
Co. House

Registered no. 1337673

**BUILDING SOLUTIONS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 1998**



**TEE AND COMPANY**  
**CHARTERED ACCOUNTANTS**  
**6 BRUNSWICK SQUARE**  
**GLOUCESTER**  
**GL1 1UG**

# **BUILDING SOLUTIONS LIMITED**

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# **BUILDING SOLUTIONS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1998**

### **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;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

### **Directors**

D J Brennan  
Mrs C A E Brennan  
A M Sills  
S Wynn (appointed 1st November 1997)

The company is a wholly owned subsidiary of The Abbey Group of Gloucester Limited. The interests of the directors in the ordinary share capital of the holding company at 31 October 1998 and for the whole of the year ended on that date are reflected in the holding company's accounts.

### **Secretary**

Mrs C A E Brennan

### **Registered Office**

Abbey House  
Ashville Road  
Gloucester

### **Principal Activities**

The principal activities of the company throughout the year were damp proofing, timber and property repair and preservation, together with the provision of protective coating, structural waterproofing, floor refurbishment and concrete repair in new and old structures.

### **Results and Dividends**

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

# **BUILDING SOLUTIONS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1998 (CONT)**

### **Directors**

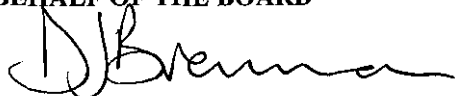
The present directors are as shown on the previous page.

### **Auditors**

The auditors, Tee and Company, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

The financial statements have 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**

**Date : 20 JANUARY 1999**

# **BUILDING SOLUTIONS LIMITED**

## **AUDITORS' REPORT TO THE MEMBERS OF BUILDING SOLUTIONS LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with 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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



**TEE AND COMPANY**  
Registered Auditors

Date: 20 JANUARY 1999

CHARTERED ACCOUNTANTS  
6 BRUNSWICK SQUARE  
GLOUCESTER  
GL1 1UG

# BUILDING SOLUTIONS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1998

	Note	1998 £	1997 £
<b>TURNOVER</b>	2	962,731	880,267
Cost of sales		553,659	473,113
<b>GROSS PROFIT</b>		409,072	407,154
Net operating expenses	3	463,556	382,689
<b>OPERATING (LOSS)/PROFIT</b>	4	(54,484)	24,465
Interest payable and similar charges		2,944	1,836
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(57,428)	22,629
Tax on loss on ordinary activities	5	(15,019)	6,181
<b>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(42,409)	16,448
Retained profit brought forward		228,636	212,187
<b>RETAINED PROFIT CARRIED FORWARD</b>		186,227	228,635

The annexed notes form part of these financial statements.

# BUILDING SOLUTIONS LIMITED

## BALANCE SHEET AT 31 OCTOBER 1998

	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	6	118,861	92,760
<b>CURRENT ASSETS</b>			
Stocks		13,677	9,768
Debtors	7	198,882	255,943
Cash at bank		100	100
		<u>212,659</u>	<u>265,811</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>145,193</u>	<u>122,748</u>
<b>NET CURRENT ASSETS</b>		67,466	143,063
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>186,327</u>	<u>235,823</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	-	(4,264)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10	-	(2,824)
<b>NET ASSETS</b>		<u>186,327</u>	<u>228,735</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account		<u>186,227</u>	<u>228,635</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>186,327</u>	<u>228,735</u>

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

These financial statements were approved by the board on 20 January 1999.

ON BEHALF OF THE BOARD

  
DJ BRENNAN - DIRECTOR

Date: 20 JANUARY 1999

The annexed notes form part of these financial statements.

# BUILDING SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1998

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

#### Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 October 1998 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 October 1998 and of the results for the year ended on that date.

#### Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Leasehold property	- equal instalments over the period of the lease
Plant and machinery	- 20% per annum of cost
Fixtures and fittings	- 20% per annum of cost
Motor vehicles	- 20% per annum of cost

### 2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

### 3. NET OPERATING EXPENSES

	1998 £	1997 £
Administrative expenses	463,556	382,689

### 4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	1998 £	1997 £
Directors' emoluments	72,120	49,370
Exceptional item - relocation costs	15,790	-
Loss on sale of fixed assets	1,202	3,061
Depreciation of owned assets	30,583	16,988
Depreciation of assets held under finance leases and hire purchase	3,460	8,380
Auditors remuneration	1,500	1,700



# BUILDING SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1998 (CONT)

### 5. TAXATION ON ORDINARY ACTIVITIES

	1998 £	1997 £
<b>Current year</b>		
Corporation tax at 22.25%	(3,319)	3,357
Deferred Tax at 21%	(2,824)	2,824
Receipts from group companies for tax losses surrendered	(8,876)	-
	<u>(15,019)</u>	<u>6,181</u>

### 6. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 November 1997	-	9,389	2,053	148,044	159,486
Additions	23,249	1,175	18,603	25,919	68,946
Disposals	-	-	-	(18,350)	(18,350)
At 31 October 1998	<u>23,249</u>	<u>10,564</u>	<u>20,656</u>	<u>155,613</u>	<u>210,082</u>
<b>Depreciation</b>					
At 1 November 1997	-	2,994	918	62,814	66,726
Charge for the year	2,153	2,113	4,101	25,676	34,043
Elimination on disposals	-	-	-	(9,548)	(9,548)
At 31 October 1998	<u>2,153</u>	<u>5,107</u>	<u>5,019</u>	<u>78,942</u>	<u>91,221</u>
<b>Net book value</b>					
At 31 October 1998	<u>21,096</u>	<u>5,457</u>	<u>15,637</u>	<u>76,671</u>	<u>118,861</u>
At 31 October 1997	<u>-</u>	<u>6,395</u>	<u>1,135</u>	<u>85,230</u>	<u>92,760</u>

Included in the total net book value of tangible fixed assets held at 31 October 1998 was £28,430 in respect of assets held under finance leases and hire purchase contracts.

# BUILDING SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1998 (CONT)

### 7. DEBTORS

	1998 £	1997 £
Trade debtors	176,455	208,904
Amount owed by undertakings in which company has an interest	8,876	44,212
Other debtors	13,551	2,827
	<u>198,882</u>	<u>255,943</u>

### 8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans and overdrafts	55,541	56,888
Obligations under finance leases and hire purchase contracts	3,015	10,967
Trade creditors	33,818	2,451
Corporation tax payable	-	3,357
Social security and other taxes	29,330	30,252
Other creditors	23,489	18,833
	<u>145,193</u>	<u>122,748</u>

The bank overdraft is secured.

Obligations under finance leases and hire purchase contracts are secured.

### 9. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	1998 £	1997 £
Other creditors	-	4,264
	<u>-</u>	<u>4,264</u>

### 10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance at 1 November 1997	(2,824)
Provided for the year	2,824
Balance at 31 October 1998	<u>-</u>

# BUILDING SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1998 (CONT)

### 11. SHARE CAPITAL

	1998 £	1997 £
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>

### 12. LEASING COMMITMENTS

At 31 October 1998 the company had annual commitments under non-cancellable operating leases as detailed below:

	1998 £	1997 £
Operating leases which expire:		
After more than five years	26,000	-
	<u>26,000</u>	<u>-</u>

### 13. CONTINGENT LIABILITIES

The company has given unlimited cross guarantees in support of the bank facilities of other Group Companies.

### 14. RELATED PARTIES

During the year the company purchased goods and services from group companies as follows:-

The Abbey Group of Gloucester Limited	£110,000
Thoro Midwest Limited	£28,669

During the year the company sold goods and services to group companies as follows:-

Gloster Woodworm Control Limited	£5,000
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The company leased property owned by the trustees of the Brennan Retirement Fund for a rental of £12,167. D J Brennan and Mrs C A Brennan are beneficiaries of the Brennan Retirement Fund.