

**BONDS PAINTING LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2005**



**BONDS PAINTING LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2005**

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# **BONDS PAINTING LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

C J Hammond FCCA  
J D Brown  
R Reddington  
M J Findlay  
R Galbraith

### **SECRETARY**

C J Hammond FCCA

### **REGISTERED OFFICE**

Daybrook House  
Merchant Street  
Bulwell  
NG6 8GT

### **BANKERS**

Yorkshire Bank  
11 Smithy Row  
Nottingham  
NG1 3EJ

### **AUDITORS**

Deloitte & Touche LLP  
Nottingham

# BONDS PAINTING LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of painting contractors.

### REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are pleased with the results for the year and expect the company to continue to trade profitably in the future.

### DIRECTORS AND THEIR INTERESTS

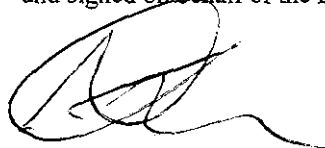
The directors who served during the year and their beneficial and family interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	31 March 2005	1 April 2004
C J Hammond FCCA	-	-
J D Brown	-	-
R Reddington	-	-
M J Findlay	-	-
R Galbraith	-	-

### AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors of the company. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



C J HAMMOND FCCA

Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 at the end of the financial year and of the profit or loss of the company for that year. 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; and
- 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BONDS PAINTING LIMITED

We have audited the financial statements of Bonds Painting Limited for the year ended 31 March 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### 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 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and

Registered Auditors

Nottingham

*7 September 2005*

# BONDS PAINTING LIMITED

## PROFIT AND LOSS ACCOUNT

	Note	2005 £	2004 £
<b>TURNOVER: continuing operations</b>	2	2,387,401	1,999,290
Cost of sales		<u>(1,439,382)</u>	<u>(1,238,507)</u>
Gross profit		948,019	760,783
Administrative expenses		<u>(787,351)</u>	<u>(629,100)</u>
<b>OPERATING PROFIT: continuing operations</b>	4	160,688	131,683
Interest payable and similar charges	5	<u>(7,475)</u>	<u>(5,960)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		153,193	125,723
Tax on profit on ordinary activities	6	<u>(51,568)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>		101,625	125,723
Retained profit brought forward		<u>318,870</u>	<u>193,147</u>
Retained profit carried forward		<u><u>420,495</u></u>	<u><u>318,870</u></u>

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year and accordingly, no Statement of Total Recognised Gains and Losses is shown.

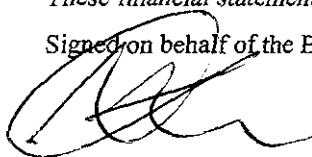
# BONDS PAINTING LIMITED

## BALANCE SHEET

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	7	116,627	116,503
<b>CURRENT ASSETS</b>			
Stocks	8	10,415	26,120
Debtors: due within one year	9	608,046	551,275
Debtors: due after more than one year	10	216,559	177,129
Cash at bank and in hand		-	568
		835,020	755,092
<b>CREDITORS: amounts falling due within one year</b>	11	(398,097)	(399,646)
<b>NET CURRENT ASSETS</b>		436,923	355,446
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		553,550	471,949
<b>CREDITORS: amounts falling due after more than one year</b>	12	(33,055)	(53,079)
		520,495	418,870
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	100,000	100,000
Profit and loss account		420,495	318,870
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	520,495	418,870

These financial statements were approved by the Board of Directors on 7 September 2005

Signed on behalf of the Board of Directors



C J HAMMOND FCCA

Director



# BONDS PAINTING LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2005

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### 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:

Fixtures and fittings and equipment	20% per annum
Motor vehicles	Private – 20% per annum Commercial – 25% per annum
Alterations to leasehold property	Straight line over period of the lease

#### Stocks

Stocks and work in progress, other than on long term contracts, are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

#### Long-term contracts

Long-term contract work-in-progress balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Advance payments and deposits are included in creditors.

Turnover is determined by reference to work carried out to date. No profit is recognised until a contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

#### Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding and charged to profit and loss account.

#### Pensions

The company operates a defined contribution pension scheme, and contributions payable for the year are charged in the profit and loss account.

# BONDS PAINTING LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2005

### 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity.

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2005 £	2004 £
<b>Directors' emoluments</b>		
Emoluments for qualifying services	42,428	42,262
Pension contribution	3,600	3,600
	<u>46,028</u>	<u>45,862</u>
	No	No
Number of directors contributing to defined contribution scheme	<u>1</u>	<u>1</u>
<b>Average number of persons employed in the year</b>		
Operations	39	31
Administration	-	9
Sales and distribution	2	2
	<u>41</u>	<u>42</u>
	£	£
<b>Staff costs during the year</b>		
Wages and salaries	1,198,623	1,010,443
Social security costs	88,372	114,932
Pension costs	27,567	22,502
	<u>1,314,562</u>	<u>1,147,877</u>

### 4. OPERATING PROFIT

	2005 £	2004 £
<b>Operating profit is after charging:</b>		
Depreciation of tangible assets		
Owned assets	7,681	9,529
Leased assets	51,218	38,549
Rentals under operating leases		
Land and buildings	12,750	11,750
Auditors' remuneration	<u>4,500</u>	<u>4,000</u>

# BONDS PAINTING LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2005

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Finance lease and hire purchase contracts	<u>7,475</u>	<u>5,960</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the year	2004 £	2003 £
Current tax		
UK corporation tax at 30% (2004: 30%)	<u>51,568</u>	<u>-</u>

#### b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2004: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>153,193</u>	<u>125,723</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	45,958	37,717
Effects of:		
Group relief claimed	-	(38,058)
Marginal rate differences	-	(300)
Expenses not deductible for tax purposes	1,609	1,255
Capital allowances for the year in excess of depreciation	4,039	(17)
Profit on asset disposal	<u>(38)</u>	<u>(597)</u>
Current tax charge for the year (note 6a)	<u>51,568</u>	<u>-</u>

# BONDS PAINTING LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2005

### 7. TANGIBLE FIXED ASSETS

	Alterations to leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2004	11,141	44,270	194,365	249,776
Additions	-	3,756	58,844	62,600
Disposals	-	-	(8,480)	(8,480)
Transfers in			12,393	12,393
Transfers out			(13,869)	(13,869)
<b>At 31 March 2005</b>	<b>11,141</b>	<b>48,026</b>	<b>243,253</b>	<b>302,420</b>
<b>Accumulated depreciation</b>				
At 1 April 2004	6,052	34,575	92,646	133,273
Charge for the year	1,632	6,049	51,218	58,899
Eliminated on disposal	-	-	(8,479)	(8,479)
Transfers in			3,718	3,718
Transfers out			(1,618)	(1,618)
<b>At 31 March 2005</b>	<b>7,684</b>	<b>40,624</b>	<b>137,485</b>	<b>185,793</b>
<b>Net book value</b>				
At 31 March 2005	<u>3,457</u>	<u>7,402</u>	<u>105,768</u>	<u>116,627</u>
At 31 March 2004	<u>5,089</u>	<u>9,695</u>	<u>101,719</u>	<u>116,503</u>

The net book value of fixed assets includes £105,768 (2004: £101,719) in respect of assets held under finance lease and hire purchase contracts, the depreciation of which is shown in note 4.

### 8. STOCKS

	2005 £	2004 £
Raw materials	3,920	3,920
Work in progress	37,547	100,702
Payments on account	(31,052)	(78,502)
	<u>10,415</u>	<u>26,120</u>

### 9. DEBTORS: AMOUNTS DUE IN LESS THAN ONE YEAR

	2005 £	2004 £
Trade debtors	314,422	433,734
Amounts receivable under long term contracts	239,355	93,436
Amounts owed by parent and subsidiary undertakings	36,633	-
Other debtors	9,040	14,274
Prepayments and accrued income	8,596	9,831
	<u>608,046</u>	<u>551,275</u>

# BONDS PAINTING LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2005

### 10. DEBTORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Amounts receivable under long term contracts	<u>216,559</u>	<u>177,129</u>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank overdrafts	64,703	50,406
Obligations under finance leases and hire purchase contracts	52,736	32,712
Amounts owed to group undertakings	-	26,298
Payment on account	8,758	27,581
Trade creditors	29,315	64,429
Corporation tax	31,587	-
Taxes and social security costs	50,953	123,603
Other creditors	80,612	20,824
Accruals and deferred income	79,433	53,793
	<u>398,097</u>	<u>399,646</u>

The bank overdraft is subject to a cross guarantee within the group. At the year end, this amounted to £600,529 (2004: £809,000).

### 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Obligations under finance leases and hire purchase contracts	<u>33,055</u>	<u>53,079</u>

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

The company does not have any actual or potential material deferred tax liabilities or assets at either year end.

### 14. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

# BONDS PAINTING LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2005

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	101,625	125,723
Opening shareholders' funds	418,870	293,147
Closing shareholders' funds	520,495	418,870

### 16. FINANCIAL COMMITMENTS

Obligations under finance leases and hire purchase contracts:	2005 £	2004 £
Within one year or less	52,736	32,712
In more than one year but not more than two years	19,816	24,307
In more than two years but not more than five years	13,239	28,772
	85,791	85,791

Finance leases are secured over the assets to which they relate.

#### Obligations under operating leases

At 31 March 2004, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2005	2004
Leases which expire:		
Within two to five years	11,750	11,750

### 17. ULTIMATE PARENT COMPANY

The ultimate holding company is Programmed Maintenance Services Limited, a company incorporated in Australia. The immediate parent company is Whittle Painting Group Limited, a company incorporated in the United Kingdom.

Copies of the group accounts can be obtained from Programmed Maintenance Services Limited, 52 Ricketts Road, Mount Waverley, Victoria, Australia.

### 18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided in Financial Reporting Standard No 8 – 'Related Party Transactions' not to disclose transactions with other group companies. There were no other related party transactions.

### 19. CASH FLOW STATEMENT

The company has taken advantage of the exemption from preparing a cashflow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.