

100-1711
COMPANY REGISTRATION NUMBER 1446923

AXTER LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2005



ENSORS
Chartered Accountants & Registered Auditors
46 St Nicholas Street
IPSWICH
IP1 1TT

AXTER LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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AXTER LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2005

The directors present their report and the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year remained that of importers and distributors of roofing and waterproofing products and building materials.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At	At
	31 December	1 January 2005
	2005	
J Medlock	—	—
P Roger	—	—
P Fleischmann	—	—
	<u>—</u>	<u>—</u>

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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AXTER LIMITED

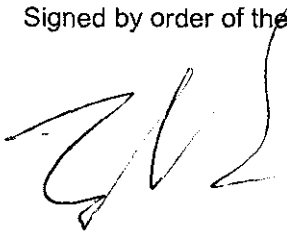
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2005

AUDITORS

A resolution to re-appoint Ensors as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'J E Medlock', written over a horizontal line.

J E MEDLOCK
Company Secretary

Approved by the directors on 22.5.2006

AXTER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXTER LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements of Axter Limited for the year ended 31 December 2005 on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 law and United Kingdom Generally Accepted Accounting Practice.

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 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 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.

AXTER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXTER LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2005

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



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IP1 1TT

22 MAY 2006

AXTER LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
TURNOVER	2	1,923,199	2,207,464
Cost of sales		<u>1,152,999</u>	<u>1,375,669</u>
GROSS PROFIT		770,200	831,795
Distribution Costs		192,948	223,704
Administrative expenses		<u>574,297</u>	<u>585,504</u>
OPERATING PROFIT	3	2,955	22,587
Interest payable and similar charges	6	7,475	6,542
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,520)	16,045
Tax on (loss)/profit on ordinary activities	7	2,656	9,634
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(7,176)	6,411
Balance brought forward		<u>(73,147)</u>	<u>(79,564)</u>
Balance carried forward		<u>(80,323)</u>	<u>(73,153)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 13 form part of these financial statements.

AXTER LIMITED**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	£	£
(Loss)/Profit for the financial year	(7,176)	6,411
Opening shareholders' equity funds	<u>76,853</u>	<u>70,436</u>
Closing shareholders' equity funds	<u>69,677</u>	<u>76,847</u>

The notes on pages 8 to 13 form part of these financial statements.

AXTER LIMITED**BALANCE SHEET****31 DECEMBER 2005**

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	8		5,332		5,620
CURRENT ASSETS					
Stocks	9	14,687		12,297	
Debtors	10	575,476		667,386	
Cash at bank and in hand		2,141		19,140	
		<u>592,304</u>		<u>698,823</u>	
CREDITORS: Amounts falling due within one year	12	<u>527,959</u>		<u>627,596</u>	
NET CURRENT ASSETS			<u>64,345</u>		<u>71,227</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>69,677</u>		<u>76,847</u>
CAPITAL AND RESERVES					
Called-up equity share capital	16	150,000		150,000	
Profit and loss account		(80,323)		(73,153)	
SHAREHOLDERS' FUNDS			<u>69,677</u>		<u>76,847</u>

These financial statements were approved by the directors on the 22/5/06 and are signed on their behalf by:


.....
J MEDLOCK

The notes on pages 8 to 13 form part of these financial statements.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment	- 20%
Computer Equipment/software	- 33% Straight Line
Leasehold Improvements	- 7%
Computer Hardware	- 20%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

Turnover related wholly to the company's principal activity and originated in the UK. A geographical analysis of turnover by destination is as follows :

	2005 £	2004 £
United Kingdom	1,881,672	2,186,909
Europe	41,527	20,555
	<u>1,923,199</u>	<u>2,207,464</u>

The directors consider it impracticable to provide an analysis of operating profit and net assets per geographical sector.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Auditors Remuneration	3,500	3,000
Depreciation of owned fixed assets	3,795	3,260
Loss on disposal of fixed assets	4	—
Net profit on foreign currency translation	<u>(14,000)</u>	<u>(28,464)</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No	No
Number of distribution staff	6	6
Number of administrative staff	5	5
	<u>11</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	262,329	246,017
Social security costs	39,522	38,822
Other pension costs	58,802	55,281
	<u>360,653</u>	<u>340,120</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Emoluments receivable	<u>83,500</u>	<u>77,921</u>

The directors' remuneration above related to the only paid director. The amount above includes pension contributions, which amount to £21,761 (2004 : £21,098). There are no rights for directors to exercise share options or receive shares under long term incentive schemes.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Interest payable on bank borrowing	<u>7,475</u>	<u>6,542</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

7. TAXATION ON ORDINARY ACTIVITIES

	2005 £	2004 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	2,865	9,721
Total current tax	2,865	9,721
Deferred tax:		
Origination and reversal of timing differences	(209)	(87)
Tax on (loss)/profit on ordinary activities	2,656	9,634

8. TANGIBLE FIXED ASSETS

	Equipment & Improvements £
COST	
At 1 January 2005	66,144
Additions	3,511
Disposals	(34,067)
At 31 December 2005	35,588
DEPRECIATION	
At 1 January 2005	60,524
Charge for the year	3,795
On disposals	(34,063)
At 31 December 2005	30,256
NET BOOK VALUE	
At 31 December 2005	5,332
At 31 December 2004	5,620

9. STOCKS

	2005 £	2004 £
Finished goods	14,687	12,297

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

10. DEBTORS

	2005 £	2004 £
Trade debtors	557,853	643,413
Prepayments and accrued income	16,428	22,987
Deferred taxation (note 11)	1,195	986
	<u>575,476</u>	<u>667,386</u>

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2005 £	2004 £
Included in debtors (note 10)	<u>1,195</u>	<u>986</u>

The movement in the deferred taxation account during the year was:

	2005 £	2004 £
Balance brought forward	986	899
Profit and loss account movement arising during the year	209	87
Balance carried forward	<u>1,195</u>	<u>986</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	1,195	986
	<u>1,195</u>	<u>986</u>

12. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	76,475	—
Trade creditors	339,883	449,735
Other creditors including taxation and social security:		
Corporation tax	2,864	9,721
Other taxation and social security	70,667	92,084
	<u>498,889</u>	<u>551,540</u>
Accruals and deferred income	38,070	76,056
	<u>527,959</u>	<u>627,596</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

13. PENSIONS

The company operated a defined contribution pension scheme, assets of which are held independently from those of the company. The pension cost charge was £58,802 (2004 : £55,281), all of which was paid over at the year end and in accordance with the payment schedule.

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2005	2004
	£	£
Operating leases which expire:		
Within 1 year	8,676	5,334
Within 2 to 5 years	19,961	26,398
	<u>28,637</u>	<u>31,732</u>

In addition, the company has an informal annual commitment of £6,000 in respect of its land and buildings.

15. RELATED PARTY TRANSACTIONS

The company's immediate parent company is Axter SA, a company incorporated in France. The company's ultimate parent company (for which group accounts are drawn up) is Bouygues SA, which is also a company incorporated in France.

Due to the fact that the company is 100% owned and that its accounts are consolidated into those of its ultimate parent company (copies of which are available to the public from the French Company Registry,) exemption is taken from disclosing transactions and balances with other group members.

16. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

02/06/2006

Mites include chargeable and non chargeable

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