

Registered number 03101082

CALIBRE VENTILATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2006

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CALIBRE VENTILATION LIMITED

COMPANY INFORMATION

DIRECTORS

F Borg
R Mallozzi
N Segal
D Stirzaker

SECRETARY

N Segal

COMPANY NUMBER

03101082

REGISTERED OFFICE

B1/B2 Addington Business Centre
Vulcan Way, New Addington
Croydon
Surrey
CR0 9UG

AUDITORS

Wise & Co
Chartered Accountants & Registered Auditors
50 West Street
Farnham
Surrey
GU9 7DX

CALIBRE VENTILATION LIMITED

DIRECTORS' REPORT For the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company during the year was that of the design and installation of ventilation systems.

The company has had a very good year with a 30% increase in turnover, and a solid profit. It was decided during the year that Calibre Ventilation Limited should take over the fabrication and installation business of its sister company, Ashway Engineering Limited. This took effect on the 1st January 2007.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £127,364 (2005 - £44,847).

The directors have recommended a dividend of £30,000 for the year.

CALIBRE VENTILATION LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2006

DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

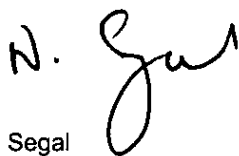
	Ordinary shares of £1 each	
	31/12/06	1/1/06
F Borg	15	15
R Mallozzi	-	-
N Segal	-	-
D Stirzaker	15	15

The interests of the directors in the share capital of the holding company, Calibre Group Services Limited, are disclosed in the financial statements of that company

AUDITORS

The auditors, Wise & Co, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on **6th JUNE 2007** and signed on its behalf


N E Segal
Company Secretary

CALIBRE VENTILATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CALIBRE VENTILATION LIMITED

We have audited the financial statements of Calibre Ventilation Limited for the year ended 31 December 2006 set out on pages 5 to 17. These financial statements have been prepared in accordance with the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 judgments 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.

CALIBRE VENTILATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CALIBRE VENTILATION LIMITED

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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Wise & Co.

WISE & CO

Chartered Accountants & Registered Auditors
50 West Street
Farnham
Surrey
GU9 7DX

Date *13 JUNE 2007*

CALIBRE VENTILATION LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2006

	Note	2006 £	2005 £
TURNOVER	1,2	1,993,872	1,529,155
Cost of sales		<u>(1,351,575)</u>	<u>(1,153,964)</u>
GROSS PROFIT		642,297	375,191
Selling and distribution costs		<u>(21,970)</u>	<u>(35,804)</u>
Administrative expenses		<u>(426,492)</u>	<u>(276,808)</u>
OPERATING PROFIT	3	193,835	62,579
Interest payable	6	<u>(2,530)</u>	<u>(2,951)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		191,305	59,628
TAX ON PROFIT ON ORDINARY ACTIVITIES	7	<u>(63,941)</u>	<u>(14,781)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u>127,364</u>	<u>44,847</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 8 to 17 form part of these financial statements

CALIBRE VENTILATION LIMITED

BALANCE SHEET
As at 31 December 2006

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	8		54,734		75,173
CURRENT ASSETS					
Stocks	9	16,365		-	
Debtors	10	790,797		838,582	
Cash at bank		48,491		-	
		<u>855,653</u>		<u>838,582</u>	
CREDITORS , amounts falling due within one year	11	(546,140)		(635,521)	
NET CURRENT ASSETS			<u>309,513</u>		<u>203,061</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>364,247</u>		<u>278,234</u>
CREDITORS amounts falling due after more than one year	12		(21,375)		(36,541)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(3,815)		-
NET ASSETS			<u>339,057</u>		<u>241,693</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Profit and loss account	15		338,957		241,593
SHAREHOLDERS' FUNDS - All equity	16		<u>339,057</u>		<u>241,693</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

4th JUNE 2007

N. Segal

N E Segal
Director

The notes on pages 8 to 17 form part of these financial statements

CALIBRE VENTILATION LIMITED

CASH FLOW STATEMENT
For the year ended 31 December 2006

	Note	2006 £	2005 £
Net cash flow from operating activities	18	98,083	78,404
Returns on investments and servicing of finance	19	(2,530)	(2,951)
Taxation		(13,114)	(26,618)
Capital expenditure and financial investment	19	(3,788)	(57,985)
Equity dividends paid		(30,000)	-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		48,651	(9,150)
Financing	19	10,960	37,870
INCREASE IN CASH IN THE YEAR		59,611	28,720

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
For the year ended 31 December 2006

	2006 £	2005 £
Increase in cash in the year	59,611	28,720
Cash inflow from increase in debt and lease financing	(10,960)	(37,870)
MOVEMENT IN NET DEBT IN THE YEAR	48,651	(9,150)
Net debt at 1 January 2006	(307,427)	(298,277)
NET DEBT AT 31 DECEMBER 2006	(258,776)	(307,427)

The notes on pages 8 to 17 form part of these financial statements

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2006

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	- 25% straight line
Fixtures & fittings	- 20% straight line
Office equipment	- 20-25% straight line

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2006

1 ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2 TURNOVER

The whole of the turnover is attributable to the one principal activity of the company

All turnover arose within the United Kingdom

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	24,227	27,019
Auditors' remuneration	4,223	4,752
Operating lease rentals		
- other operating leases	12,296	9,883
Profit on disposal of fixed assets	-	(6,881)
Directors remuneration	88,601	88,599
Staff costs	71,941	87,763
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CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2006	2005
	£	£
Wages and salaries	186,121	154,053
Social security costs	13,580	16,474
Other pension costs	5,837	5,835
	205,538	176,362

The average monthly number of employees, including the directors, during the year was as follows

	2006	2005
	No	No
Administrative staff	2	1
Management staff	3	4
Production staff	1	0
	6	5

5 DIRECTORS' REMUNERATION

	2006	2005
	£	£
Emoluments	83,964	83,964
Company pension contributions to money purchase pension schemes	4,637	4,635

During the year retirement benefits were accruing to 2 directors (2005 - 2) in respect of money purchase pension schemes

6 INTEREST PAYABLE

	2006	2005
	£	£
On bank loans and overdrafts	187	670
On finance leases and hire purchase contracts	2,343	2,281
	2,530	2,951

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

7 TAXATION

	2006 £	2005 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profits of the year	57,601	16,506
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	6,340	(1,725)
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>63,941</u>	<u>14,781</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2006 £	2005 £
Profit on ordinary activities before tax	<u>191,305</u>	<u>59,628</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	57,392	17,888
EFFECTS OF		
Expenses not deductible for tax purposes	99	1,987
Capital allowances for year in excess of depreciation	3,139	1,532
Rollover relief on profit on disposal of fixed assets	-	(2,064)
Marginal relief	-	(4,120)
Adjustments to tax charge in respect of prior periods	(562)	1,283
Movement in general provision	(2,467)	-
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>57,601</u>	<u>16,506</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

8. TANGIBLE FIXED ASSETS

	Motor vehicles £	Equipment, fixtures & fittings £	Plant & machinery £	Total £
COST				
At 1 January 2006	75,700	11,672	40,851	128,223
Additions	-	-	4,538	4,538
Disposals	-	-	(1,250)	(1,250)
At 31 December 2006	75,700	11,672	44,139	131,511
DEPRECIATION				
At 1 January 2006	11,620	11,272	30,158	53,050
Charge for the year	18,925	400	4,902	24,227
On disposals	-	-	(500)	(500)
At 31 December 2006	30,545	11,672	34,560	76,777
NET BOOK VALUE				
At 31 December 2006	45,155	-	9,579	54,734
At 31 December 2005	64,080	400	10,693	75,173

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2006 £	2005 £
Motor vehicles	45,155	64,080

9 WORK IN PROGRESS

	2006 £	2005 £
Work in progress	16,365	-

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

10. DEBTORS

	2006 £	2005 £
Trade debtors	413,335	227,553
Amounts owed by group undertakings	376,898	386,674
Prepayments and accrued income	564	221,830
Deferred tax asset (see note 13)	-	2,525
	<u>790,797</u>	<u>838,582</u>

11. CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts	-	11,120
Net obligations under finance leases and hire purchase contracts	16,784	18,908
Trade creditors	100,793	271,858
Amounts owed to group undertakings	269,108	240,857
Corporation tax	59,710	15,223
Social security and other taxes	36,424	34,716
Other creditors	19,097	510
Accruals and deferred income	44,224	42,329
	<u>546,140</u>	<u>635,521</u>

The bank overdraft is secured by means of a fixed and floating debenture over its assets of the company in favour of the company's bankers. The facility is repayable on demand and provides the company's day to day working capital requirements.

In addition to the debenture, Calibre Services Group Limited, the parent company, has provided a guarantee to the company's bankers which is supported by a legal charge over the leasehold property of the parent company.

12. CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Net obligations under finance leases and hire purchase contracts	<u>21,375</u>	<u>36,541</u>

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

12 CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2006 £	2005 £
Between one and five years	<u>21,375</u>	<u>36,541</u>

13. DEFERRED TAXATION

	2006 £	2005 £
At 1 January 2006	2,525	800
(Charge for)/released during the year	(6,340)	1,725
At 31 December 2006	<u>(3,815)</u>	<u>2,525</u>

The deferred taxation balance is made up as follows

	2006 £	2005 £
Accelerated capital allowances	<u>3,815</u>	<u>2,525</u>

14. SHARE CAPITAL

	2006 £	2005 £
AUTHORISED		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 RESERVES

	Profit and loss account £
At 1 January 2006	241,593
Profit retained for the year	127,364
Dividends Equity capital	(30,000)
At 31 December 2006	<u>338,957</u>

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	241,693	196,846
Profit for the year	127,364	44,847
Dividends (Note 17)	(30,000)	-
Closing shareholders' funds	<u>339,057</u>	<u>241,693</u>

17. DIVIDENDS

	2006 £	2005 £
Dividends paid on equity capital	<u>30,000</u>	<u>-</u>

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	193,835	62,579
Depreciation of tangible fixed assets	24,227	27,019
Profit on disposal of tangible fixed assets	-	(6,881)
(Increase)/decrease in stocks	(16,365)	5,563
Decrease/(increase) in debtors	35,484	(16,390)
Decrease/(increase) in amounts owed by group undertakings	9,776	(71,867)
(Decrease)/increase in creditors	(148,874)	78,381
NET CASH INFLOW FROM OPERATIONS	<u>98,083</u>	<u>78,404</u>

19 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2006 £	2005 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(187)	(670)
Hire purchase interest	(2,343)	(2,281)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>(2,530)</u>	<u>(2,951)</u>

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

19 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2006 £	2005 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(4,538)	(79,935)
Sale of tangible fixed assets	750	21,950
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(3,788)</u>	<u>(57,985)</u>
	2006 £	2005 £
FINANCING		
Other new loans	28,250	-
Repayment of other loans	-	(4,016)
(Repayment of)/new finance leases	(17,290)	41,886
NET CASH INFLOW FROM FINANCING	<u>10,960</u>	<u>37,870</u>

20 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2006 £	Cash flow £	Other non-cash changes £	31 December 2006 £
Cash at bank and in hand	-	48,491	-	48,491
Bank overdraft	(11,120)	11,120	-	-
	<u>(11,120)</u>	<u>59,611</u>	<u>-</u>	<u>48,491</u>
DEBT				
Debts due within one year	(259,766)	17,290	(43,416)	(285,892)
Debts falling due after more than one year	(36,541)	-	15,166	(21,375)
NET DEBT	<u>(307,427)</u>	<u>76,901</u>	<u>(28,250)</u>	<u>(258,776)</u>

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose details of the transactions with group companies on the grounds that the consolidated accounts for the parent company, Calibre Services Group Limited, are publicly available

CALIBRE VENTILATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2006

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Throughout the period the company was under the control of its parent company, Calibre Services Group Limited, which is a company registered in England and Wales, and through which it was under the ultimate control of the board of directors of the company