

**Report of the Directors and
Financial Statements
for the Year Ended 30 September 2005
for
Nationwide Building Services Group
Limited**



**Nationwide Building Services Group
Limited**

**Contents of the Financial Statements
for the Year Ended 30 September 2005**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	16

**Nationwide Building Services Group
Limited**

**Company Information
for the Year Ended 30 September 2005**

DIRECTORS:

C B Waples
C A Sykes
J D Quigley
J P Ralph

SECRETARY:

C A Sykes

REGISTERED OFFICE:

Nationwide House
1-3 Catteshall Mill
Catteshall Road
Godalming
Surrey
GU7 1NJ

REGISTERED NUMBER:

3409815 (England and Wales)

AUDITORS:

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming, Surrey
GU7 1LQ

**Nationwide Building Services Group
Limited**

**Report of the Directors
for the Year Ended 30 September 2005**

The directors present their report with the financial statements of the company for the year ended 30 September 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the installation and maintenance of building utility equipment.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company enjoyed another successful year and the directors remain confident of future prospects.

On 29 April 2005 the entire issued share capital of the company was acquired by Nationwide FM Limited.

DIVIDENDS

During the year an interim dividend of £31,175 was distributed to shareholders. A final dividend of £43,632 is proposed.

DIRECTORS

The directors during the year under review were:

J C Slater	- resigned 29.4.05
D A Spensley	- resigned 29.4.05
C B Waples	
C A Sykes	- appointed 29.4.05
J D Quigley	- appointed 29.4.05
J P Ralph	- appointed 29.4.05

The beneficial interests of the directors holding office on 30 September 2005 in the issued share capital of the company were as follows:

	30.9.05	1.10.04 or date of appointment if later
A Ordinary £1 shares		
C B Waples	-	285
C A Sykes	-	-
J D Quigley	-	-
J P Ralph	-	-

CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations totalling £3,878 (2004 - £3,653).

EMPLOYEE INVOLVEMENT

The directors view the enrolment and motivation of everyone in the company as critical to the success of the business. Significant levels of training and development assist in helping people contribute to the company's continuing growth and profitability.

DISABLED PERSONS

The company gives every consideration to applications for employment from disabled persons where the requirements of the job can be adequately covered by a handicapped or disabled person. With regard to existing disabled employees and those who have become disabled during the year, the company has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate.

**Nationwide Building Services Group
Limited**

**Report of the Directors
for the Year Ended 30 September 2005**

STATEMENT OF 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.

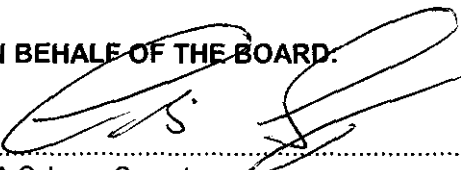
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Roffe Swayne, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
C A Sykes - Secretary

Date: 19th June 2006

**Report of the Independent Auditors to the Shareholders of
Nationwide Building Services Group
Limited**

We have audited the financial statements of Nationwide Building Services Group Limited for the year ended 30 September 2005 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and 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 on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Report of the Directors 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 Report of the Directors 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 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming, Surrey
GU7 1LQ

Roffe Swayne

Date: 29 June 2006

**Nationwide Building Services Group
Limited**

**Profit and Loss Account
for the Year Ended 30 September 2005**

	Notes	2005 £	2004 as restated £
TURNOVER	2	24,686,481	18,062,479
Cost of sales		18,969,406	13,468,567
GROSS PROFIT		5,717,075	4,593,912
Administrative expenses		4,695,887	3,899,098
OPERATING PROFIT	4	1,021,188	694,814
Interest payable and similar charges	5	95,814	23,309
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		925,374	671,505
Tax on profit on ordinary activities	6	306,592	213,199
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		618,782	458,306
Dividends	7	74,807	26,250
RETAINED PROFIT FOR THE YEAR		543,975	432,056

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

**Nationwide Building Services Group
Limited**

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 September 2005**

	2005	2004 as restated
	£	£
PROFIT FOR THE FINANCIAL YEAR	618,782	458,306
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	618,782	458,306
	<hr/>	<hr/>
Prior year adjustment	143,446	
Note 8	<hr/>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	762,228	
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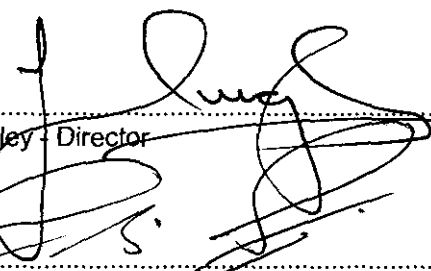
The notes form part of these financial statements

**Nationwide Building Services Group
Limited**

**Balance Sheet
30 September 2005**

		2005		2004 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		18,750		25,000
Tangible assets	10		246,162		257,633
Investments	11		25,100		25,100
			<u>290,012</u>		<u>307,733</u>
CURRENT ASSETS					
Stocks	12	590,375		484,601	
Debtors	13	8,102,676		5,521,664	
Cash at bank		99,153		8,192	
		<u>8,792,204</u>		<u>6,014,457</u>	
CREDITORS					
Amounts falling due within one year	14	7,054,382		4,823,986	
NET CURRENT ASSETS			<u>1,737,822</u>		<u>1,190,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,027,834</u>		<u>1,498,204</u>
PROVISIONS FOR LIABILITIES AND CHARGES	18		28,689		43,034
NET ASSETS			<u><u>1,999,145</u></u>		<u><u>1,455,170</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		105,000		105,000
Share premium	20		4,500		4,500
Capital redemption reserve	20		40,000		40,000
Profit and loss account	20		1,849,645		1,305,670
SHAREHOLDERS' FUNDS	22		<u><u>1,999,145</u></u>		<u><u>1,455,170</u></u>

ON BEHALF OF THE BOARD:


J D Quigley - Director


J P Ralph - Director


C A Sykes - Director

Approved by the Board on 19th June 2006

The notes form part of these financial statements

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements
for the Year Ended 30 September 2005**

1. ACCOUNTING POLICIES

Accounting convention

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

Exemption from preparing consolidated financial statements

The financial statements contain information about Nationwide Building Services Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Nationwide FM Limited, a company registered in the United Kingdom.

Turnover

Turnover represents the value of goods and services supplied to customers in the period exclusive of value added tax. During the year ended 30 September 2005 the company has revised its revenue recognition policy in respect of services provided to customers in line with the requirements of UITF 40. Accordingly, revenue is now recognised to the extent that the company has met its contractual obligations and earned the right to receive the revenue. Previously revenue on such work was recognised only on invoicing. A prior year adjustment has therefore been made, increasing turnover recognised in previous periods by £706,631 and the cost of sales by £563,185.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost of freehold buildings
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% to 50% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

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

Cash flow exemption

Exemption has been taken from preparing a cash flow statement in accordance with FRS 1 on the grounds that the company is a wholly owned subsidiary and its parent company produces consolidated accounts which are publicly available.

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

1. ACCOUNTING POLICIES - continued

Amounts recoverable on contracts

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses.

The amount by which turnover exceeds payments on account is classified as amounts recoverable on contracts and included within debtors. Where payments on account exceed turnover the excess is included within creditors.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	2005	2004 as restated
	£	£
Wages and salaries	7,257,075	5,964,586
Social security costs	774,795	654,950
Other pension costs	209,255	185,272
	<u>8,241,125</u>	<u>6,804,808</u>

The average monthly number of employees during the year was as follows:

	2005	2004 as restated
Office and management	86	74
Production	190	156
	<u>276</u>	<u>230</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2005	2004 as restated
	£	£
Hire of plant and machinery	18,295	13,249
Depreciation - owned assets	56,439	47,960
Profit on disposal of fixed assets	-	(43)
Goodwill amortisation	6,250	-
Auditors' remuneration	11,650	9,700
Operating lease rentals - motor vehicles	235,845	202,348
Operating lease rentals - land and buildings	159,319	58,015
	<u>487,808</u>	<u>431,515</u>
Directors' emoluments	194,130	159,228
Directors' pension contributions to money purchase schemes	20,488	20,853

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>2</u>
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**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004 as restated
	£	£
Bank interest	95,814	23,309

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004 as restated
	£	£
Current tax:		
UK corporation tax	320,000	190,000
Adjustment in respect of previous years	937	(1,169)
Total current tax	320,937	188,831
Deferred tax	(14,345)	24,368
Tax on profit on ordinary activities	306,592	213,199

UK corporation tax has been charged at 30% (2004 - 30%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2005	2004 as restated
	£	£
Profit on ordinary activities before tax	925,374	671,505
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	277,612	201,452
Effects of:		
Under/(over) provision in prior years	937	(1,169)
Income/expenses not allowable for tax purposes	33,080	11,934
Excess of depreciation over capital allowances	3,410	(2,298)
Corporation tax marginal relief	(11,077)	(21,900)
Margins and rounding	2,630	812
UITF 40 -Prior year adjustment	14,345	-
Current tax charge	320,937	188,831

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

7. DIVIDENDS

	2005 £	2004 as restated £
Equity shares:		
A Ordinary shares of £1 each		
Interim	31,575	26,250
Final	43,232	-
	<u>74,807</u>	<u>26,250</u>

8. PRIOR YEAR ADJUSTMENT

As explained in note 1 above, during the year ended 30 September 2005 the company has revised its revenue recognition policy in respect of services provided to customers in line with the requirements of UITF 40. Full details are shown in note 1 above.

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 October 2004	
and 30 September 2005	<u>25,000</u>
AMORTISATION	
Amortisation for year	<u>6,250</u>
At 30 September 2005	<u>6,250</u>
NET BOOK VALUE	
At 30 September 2005	<u>18,750</u>
At 30 September 2004	<u>25,000</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 October 2004	161,442	11,488	38,989
Additions	-	7,183	20,884
Disposals	-	(4,338)	(601)
At 30 September 2005	<u>161,442</u>	<u>14,333</u>	<u>59,272</u>
DEPRECIATION			
At 1 October 2004	6,525	10,526	25,941
Charge for year	3,229	1,716	8,947
Eliminated on disposal	-	(4,338)	(601)
At 30 September 2005	<u>9,754</u>	<u>7,904</u>	<u>34,287</u>
NET BOOK VALUE			
At 30 September 2005	<u>151,688</u>	<u>6,429</u>	<u>24,985</u>
At 30 September 2004	<u>154,917</u>	<u>962</u>	<u>13,048</u>

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

10. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 October 2004	27,112	212,695	451,726
Additions	-	16,901	44,968
Disposals	-	(41,755)	(46,694)
	<hr/>	<hr/>	<hr/>
At 30 September 2005	27,112	187,841	450,000
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 October 2004	27,112	123,989	194,093
Charge for year	-	42,547	56,439
Eliminated on disposal	-	(41,755)	(46,694)
	<hr/>	<hr/>	<hr/>
At 30 September 2005	27,112	124,781	203,838
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 September 2005	-	63,060	246,162
	<hr/>	<hr/>	<hr/>
At 30 September 2004	-	88,706	257,633
	<hr/>	<hr/>	<hr/>

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 October 2004 and 30 September 2005	25,100
	<hr/>
NET BOOK VALUE	
At 30 September 2005	25,100
	<hr/>
At 30 September 2004	25,100
	<hr/>

The company's investments at the balance sheet date in the share capital of companies include the following:

Falcon Mechanical Services Limited

Nature of business: Dormant

	%		
	holding		
Class of shares:	100.00		
Ordinary £1			
		2005	2004
		£	£
Aggregate capital and reserves		100	100
		<hr/>	<hr/>

Nationwide Maintenance Limited

Nature of business: Dormant

	%		
	holding		
Class of shares:	100.00		
Ordinary £1			
		2005	2004
		£	£
Aggregate capital and reserves		24,997	24,997
		<hr/>	<hr/>

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

12. STOCKS

	2005	2004 as restated
	£	£
Work-in-progress	<u>590,375</u>	<u>484,601</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004 as restated
	£	£
Trade debtors	4,621,654	4,125,339
Amounts owed by group undertakings	1,958,159	-
Amounts recoverable on contracts	1,135,499	878,413
Prepayments and accrued income	387,364	517,912
	<u>8,102,676</u>	<u>5,521,664</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004 as restated
	£	£
Bank loans and overdraft (see note 15)	2,156,572	1,179,151
Trade creditors	2,701,196	1,955,042
Amounts owed to group undertakings	25,100	25,100
Tax	320,000	190,000
Other taxes and social security	686,939	585,243
Proposed dividends	-	10,575
Other creditors	59,609	42,364
Payments received on account	332,421	212,233
Accrued and deferred income	772,545	624,278
	<u>7,054,382</u>	<u>4,823,986</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2005	2004 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,156,572</u>	<u>1,179,151</u>

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2005	2004 as restated	2005	2004 as restated
	£	£	£	£
Expiring:				
Within one year	123,550	133,137	87,128	95,372
Between one and five years	72,500	105,350	127,518	326,098
	<u>196,050</u>	<u>238,487</u>	<u>214,646</u>	<u>421,470</u>

17. SECURED DEBTS

£1,873,071 of the bank overdraft balance is secured by a charge over the trade debtors of the company. The remaining bank overdraft balance is secured by a debenture over the assets of the company.

18. PROVISIONS FOR LIABILITIES AND CHARGES

	2005	2004 as restated
	£	£
Deferred tax	<u>28,689</u>	<u>43,034</u>
		Deferred tax £
Balance at 1 October 2004		43,034
Transfer to corporation tax payable		(14,345)
Balance at 30 September 2005		<u>28,689</u>

19. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2005	2004 as restated
			£	£
150,000	A Ordinary	£1	150,000	150,000
20,000	B Ordinary	£1	20,000	20,000
			<u>170,000</u>	<u>170,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004 as restated
			£	£
105,000	A Ordinary	£1	<u>105,000</u>	<u>105,000</u>

**Nationwide Building Services Group
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2005**

20. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 October 2004	1,162,224	4,500	40,000	1,206,724
Prior year adjustment	143,446			143,446
	<u>1,305,670</u>			<u>1,350,170</u>
Retained profit for the year	543,975			543,975
	<u>1,849,645</u>	<u>4,500</u>	<u>40,000</u>	<u>1,894,145</u>
At 30 September 2005				

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £209,255 (2004 - £185,272). Contributions totalling £49,638 (2004 - £42,737) were payable to the fund at the year end and were included in creditors.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 as restated £
Profit for the financial year	618,782	458,306
Dividends	(74,807)	(26,250)
Net addition to shareholders' funds	<u>543,975</u>	<u>432,056</u>
Opening shareholders' funds (originally £1,311,724 before prior year adjustment of £143,446)	<u>1,455,170</u>	<u>1,023,114</u>
Closing shareholders' funds	<u>1,999,145</u>	<u>1,455,170</u>
Equity interests	<u>1,999,145</u>	<u>1,455,170</u>

23. CONTROLLING PARTY

There is no overall controlling party.