

REGISTERED NUMBER 04148659 (England and Wales)

REGISTRAR OF COMPANIES

**Report of the Directors and
Financial Statements
for the Year Ended 31 August 2006
for
Nevrus Limited**

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Nevrus Limited

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for the Year Ended 31 August 2006**

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Nevrus Limited
Company Information
for the Year Ended 31 August 2006

DIRECTORS

P I Jones
N Kelly
S Epps
N Coulter
J Coombs

SECRETARY

S Epps

REGISTERED OFFICE

54 Eastmoors Road
Cardiff
CF24 5NN

REGISTERED NUMBER

04148659 (England and Wales)

AUDITORS

Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Nevrus Limited

Report of the Directors for the Year Ended 31 August 2006

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2006

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of general construction, building and selling of residential property and property development

REVIEW OF BUSINESS

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

The Group consists of three group companies, Opco Limited, Ballantyne Homes Limited and Propco Developments Limited

Opco Limited, which specialises in general construction, increased turnover for this year to £41.3m from £27.8m last year, whilst maintaining our 3% operating margin

Ballantyne Homes Limited, which builds and sells residential property, increased its gross margin to our target level of 20% on a turnover of £3.4m. Given our current land bank, we expect turnover next year to approach the levels seen in 2005 (£9.9m) whilst maintaining or improving the gross margin

Propco Developments did not trade in the year

This gave a group turnover of £44.8m compared to £39.0m last year and increased gross profit from 11.2% to 11.7%, reflective of generally favourable economic conditions and increased performance from our management teams. The net addition to the profit and loss account in reserves was £49k after paying £2.3m in bonus payments to the A directors

We have a strong balance sheet at the year end, with £4.3m of shareholders funds and £2.8m of cash in the bank

DIVIDENDS

No dividends were paid during the year

FUTURE DEVELOPMENTS

We are forecasting group turnover at £41.0m next year, with a further improvement in gross margin. We plan Opco turnover at around the £32m level, with Ballantyne Homes contributing between £8m and £9m and Propco Developments at £1.0m as it begins trading with its first commercial property development in the year

Much of the land and contracts required to secure these levels is already in place and with continuing improvement in operational delivery, we see group operating profits in the £1.5m to £2.0m range

Nevrus Limited

Report of the Directors for the Year Ended 31 August 2006

DIRECTORS

The directors during the year under review were

P I Jones	
N Kelly	
S Epps	
N Coulter	- appointed 1 9 05
J Coombs	- appointed 1 9 05

The beneficial interests of the directors holding office on 31 August 2006 in the issued share capital of the company were as follows

	31 8 06	1 9 05 or date of appointment if later
Ordinary £1 shares		
P I Jones	4,000	4,000
N Kelly	6,000	6,000
S Epps	-	-
N Coulter	-	-
J Coombs	-	-
Ordinary B shares £1 shares		
P I Jones	-	-
N Kelly	-	-
S Epps	1,428	-
N Coulter	1,428	-
J Coombs	1,428	-

GROUP'S POLICY ON PAYMENT OF CREDITORS

The group's policy is to settle the terms of payment with suppliers when agreeing the terms for each transaction or series of transactions, to seek to ensure that suppliers are aware of the terms of payment, and to abide by these terms of payment as and when satisfied that the supplier has provided the goods or services in accordance with the agreed terms

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations of £600 (2005 £2,000)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 the group and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website

Nevrus Limited

**Report of the Directors
for the Year Ended 31 August 2006**

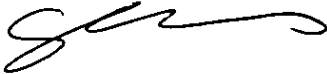
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group'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 group's auditors are aware of that information

AUDITORS

The auditors, Broomfield & Alexander Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD



S Epps - Secretary

20 November 2006

**Report of the Independent Auditors to the Members of
Nevrus Limited**

We have audited the financial statements of Nevrus Limited for the year ended 31 August 2006 on pages six to twenty two. 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 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 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 Report of the Directors is 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 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 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.

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 affairs of the company and the group as at 31 August 2006 and of the loss of the group for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

Broomfield & Alexander Ltd

Broomfield & Alexander Limited
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

30 November 2006

Nevrus Limited

**Consolidated Profit and Loss Account
for the Year Ended 31 August 2006**

	Notes	2006 £	2005 £
TURNOVER			
Continuing operations		44,787,429	9,919,782
Acquisitions		-	27,809,123
		<u>44,787,429</u>	<u>37,728,905</u>
Discontinued operations		<u>-</u>	<u>1,271,882</u>
 Cost of sales	2	 <u>39,529,739</u>	 <u>34,615,331</u>
GROSS PROFIT	2	5,257,690	4,385,456
Net operating expenses	2	<u>5,347,337</u>	<u>2,718,099</u>
OPERATING (LOSS)/PROFIT	4	(89,647)	1,667,357
Continuing operations		(89,647)	732,111
Acquisitions		-	834,028
		<u>(89,647)</u>	<u>1,566,139</u>
Discontinued operations		<u>-</u>	<u>101,218</u>
 Interest receivable and similar income		 <u>45,359</u>	 <u>35,054</u>
		(44,288)	1,702,411
Interest payable and similar charges	5	<u>83,570</u>	<u>181,462</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(127,858)	1,520,949
Tax on (loss)/profit on ordinary activities	6	<u>(29,114)</u>	<u>449,219</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(98,744)	1,071,730

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year

Nevrus Limited

Consolidated Balance Sheet
31 August 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	8	2,845,259	3,003,330
Tangible assets	9	235,989	377,429
Investments	10	-	-
		<u>3,081,248</u>	<u>3,380,759</u>
CURRENT ASSETS			
Stocks	11	4,236,792	2,232,145
Debtors	12	5,688,058	3,556,011
Cash at bank		2,803,482	2,666,246
		<u>12,728,332</u>	<u>8,454,402</u>
CREDITORS			
Amounts falling due within one year	13	11,424,313	7,490,607
NET CURRENT ASSETS		<u>1,304,019</u>	<u>963,795</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,385,267</u>	<u>4,344,554</u>
CREDITORS			
Amounts falling due after more than one year	14	10,718	20,745
NET ASSETS		<u>4,374,549</u>	<u>4,323,809</u>
CAPITAL AND RESERVES			
Called up share capital	18	14,284	10,000
Share premium	19	145,200	-
Merger reserve	19	3,235,370	3,383,095
Profit and loss account	19	979,695	930,714
SHAREHOLDERS' FUNDS	23	<u>4,374,549</u>	<u>4,323,809</u>

The financial statements were approved by the Board of Directors on 20 November 2006 and were signed on its behalf by

P I Jones - Director

N Kelly - Director

The notes form part of these financial statements

Nevrus Limited

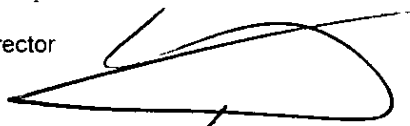
Company Balance Sheet
31 August 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	-	74,057
Investments	10	4,009,465	4,009,465
		<u>4,009,465</u>	<u>4,083,522</u>
CURRENT ASSETS			
Debtors	12	1,441,106	1,268,095
Cash at bank		42,492	7,017
		<u>1,483,598</u>	<u>1,275,112</u>
CREDITORS			
Amounts falling due within one year	13	3,115,503	1,780,076
NET CURRENT LIABILITIES		<u>(1,631,905)</u>	<u>(504,964)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,377,560</u>	<u>3,578,558</u>
CREDITORS			
Amounts falling due after more than one year	14	-	20,745
NET ASSETS		<u><u>2,377,560</u></u>	<u><u>3,557,813</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	14,284	10,000
Share premium	19	145,200	-
Merger reserve	19	3,530,820	3,530,820
Profit and loss account	19	(1,312,744)	16,993
SHAREHOLDERS' FUNDS	23	<u><u>2,377,560</u></u>	<u><u>3,557,813</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000)

The financial statements were approved by the Board of Directors on 20 November 2006 and were signed on its behalf by

N Kelly - Director



P I Jones - Director



The notes form part of these financial statements

Nevrus Limited

**Cash Flow Statement
for the Year Ended 31 August 2006**

	Notes	£	2006	£	£	2005	£
Net cash (outflow)/inflow from operating activities	1			(1,419,185)			4,041,393
Returns on investments and servicing of finance	2			(38,211)			(146,408)
Taxation				(216,020)			(381,324)
Capital expenditure	2			9,968			(346,271)
Acquisitions and disposals	2			-			784,960
				<u>(1,663,448)</u>			<u>3,952,350</u>
Financing	2			1,800,684			(1,494,291)
Increase in cash in the period				<u>137,236</u>			<u>2,458,059</u>

Reconciliation of net cash flow to movement in net funds

	3						
Increase in cash in the period			137,236		2,458,059		
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing			<u>(1,677,119)</u>		<u>1,934,091</u>		
Change in net funds resulting from cash flows				<u>(1,539,883)</u>			<u>4,392,150</u>
Movement in net funds in the period				<u>(1,539,883)</u>			<u>4,392,150</u>
Net funds/(debt) at 1 September				<u>2,177,306</u>			<u>(2,214,844)</u>
Net funds at 31 August				<u>637,423</u>			<u>2,177,306</u>

The notes form part of these financial statements

Nevrus Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2006**

1 RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

Year ended 31 August 2006

	Continuing £	Discontinued £	Total £
Operating (loss)/profit	(89,647)	-	(89,647)
Depreciation charges	315,462	-	315,462
Increase in stocks	(2,004,647)	-	(2,004,647)
Increase in debtors	(2,132,047)	-	(2,132,047)
Increase/(Decrease) in creditors	2,491,694	-	2,491,694
	<hr/>	<hr/>	<hr/>
Net cash outflow from continuing operating activities	(1,419,185)		
Net cash inflow from discontinued operating activities		-	
	<hr/>	<hr/>	<hr/>
Net cash outflow from operating activities			<u><u>(1,419,185)</u></u>

Year ended 31 August 2005

	Continuing £	Discontinued £	Total £
Operating (loss)/profit	1,566,139	101,218	1,667,357
Depreciation charges	260,517	955	261,472
Profit on disposal of fixed assets	(5,161)	-	(5,161)
Decrease in stocks	2,316,500	47,514	2,364,014
Decrease in debtors	4,098,054	32,254	4,130,308
Increase/(Decrease) in creditors	(4,198,958)	(177,639)	(4,376,597)
	<hr/>	<hr/>	<hr/>
Net cash inflow from continuing operating activities	4,037,091		
Net cash inflow from discontinued operating activities		4,302	
	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities			<u><u>4,041,393</u></u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	45,359	35,054
Interest paid	(80,955)	(178,323)
Interest element of hire purchase payments	(2,615)	(3,139)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	<u><u>(38,211)</u></u>	<u><u>(146,408)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(37,093)	(383,135)
Sale of tangible fixed assets	47,061	36,864
	<hr/>	<hr/>
Net cash inflow/(outflow) for capital expenditure	<u><u>9,968</u></u>	<u><u>(346,271)</u></u>
Acquisitions and disposals		
Purchase of subsidiary undertaking	-	(468,585)
Cash acquired with subsidiary undertaking	-	1,263,345
Share capital	-	(9,800)
	<hr/>	<hr/>
Net cash inflow for acquisitions and disposals	<u><u>-</u></u>	<u><u>784,960</u></u>

The notes form part of these financial statements

Nevrus Limited

Notes to the Cash Flow Statement
for the Year Ended 31 August 2006

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2006 £	2005 £
Financing		
New loans in year	1,681,142	-
Loan repayments in year	-	(1,498,715)
Capital repayments in year	(29,942)	(5,376)
Share issue	149,484	9,800
Net cash inflow/(outflow) from financing	<u>1,800,684</u>	<u>(1,494,291)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 9 05 £	Cash flow £	At 31 8 06 £
Net cash			
Cash at bank	2,666,246	137,236	2,803,482
	<u>2,666,246</u>	<u>137,236</u>	<u>2,803,482</u>
Debt			
Hire purchase	(25,785)	4,022	(21,763)
Debts falling due within one year	(463,155)	(1,681,141)	(2,144,296)
	<u>(488,940)</u>	<u>(1,677,119)</u>	<u>(2,166,059)</u>
Total	<u>2,177,306</u>	<u>(1,539,883)</u>	<u>637,423</u>

Notes to the Financial Statements
for the Year Ended 31 August 2006

1 ACCOUNTING POLICIES

Accounting convention

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

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all its subsidiaries

Turnover

Turnover represents amounts invoiced to outside customers, except in respect of contracting activities where turnover represents the value of work carried out during the year including amounts not invoiced

Turnover is recognised on the sale of residential properties when contracts are completed

Turnover excludes value added and similar sales-based taxes

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is capitalised, and amortised through the profit and loss account over its useful economic life of 20 years

Tangible fixed assets

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

Plant & machinery	25-33% on cost
Computer equipment	25%-50% on cost
Fixture & fittings	25% on cost
Motor vehicles	25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

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

Profit recognition on contracting activities

Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that prudently forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts, taking a prudent view of future income, immediately such losses are foreseen

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2006**

2 ANALYSIS OF OPERATIONS

	Continuing £	2006 Discontinued £	Total £
Cost of sales	<u>39,529,739</u>	<u>-</u>	<u>39,529,739</u>
Gross profit	<u>5,257,690</u>	<u>-</u>	<u>5,257,690</u>
Net operating expenses			
Administrative expenses	<u>5,347,337</u>	<u>-</u>	<u>5,347,337</u>
	Continuing £	2005 Discontinued £	Total £
Cost of sales	<u>33,530,158</u>	<u>1,085,173</u>	<u>34,615,331</u>
Gross profit	<u>4,198,747</u>	<u>186,709</u>	<u>4,385,456</u>
Net operating expenses			
Administrative expenses	<u>2,632,608</u>	<u>85,491</u>	<u>2,718,099</u>

The total figures for continuing operations include the following amounts relating to acquisitions

	2006 £	2005 £
Cost of sales	<u>-</u>	<u>25,168,415</u>
Gross profit	<u>-</u>	<u>2,640,708</u>
Net operating expenses		
Administrative expenses	<u>-</u>	<u>1,806,680</u>

3 STAFF COSTS

Wages and salaries (excluding directors) during the year was as follows

	2006 £	2005 £
Wages and salaries	3,907,590	3,129,282
Social security	412,910	331,990
Pension costs	116,538	82,183
	<u>4,437,038</u>	<u>3,543,455</u>

The average monthly number of employees (excluding directors) during the year was as follows

	2006	2005
Operational staff	74	65
Administrative staff	25	20
Labour	26	19
	<u>125</u>	<u>104</u>

Nevrus Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2006**

4 OPERATING (LOSS)/PROFIT

The operating loss (2005 - operating profit) is stated after charging/(crediting)

	2006 £	2005 £
Hire of plant and machinery	897,284	1,046,200
Depreciation - owned assets	142,248	88,236
Depreciation - assets on hire purchase contracts	15,144	15,165
Profit on disposal of fixed assets	-	(5,161)
Goodwill amortisation	158,071	158,071
Auditors' remuneration	22,050	21,800
Auditors' remuneration for non audit work	8,665	31,200
Operating lease rentals	<u>111,757</u>	<u>60,467</u>
 Directors' emoluments	 2,845,606	 594,747
Directors' pension contributions to money purchase schemes	<u>80,056</u>	<u>62,633</u>

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

Money purchase schemes	<u>5</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2006 £	2005 £
Emoluments etc	1,627,394	268,507
Pension contributions to money purchase schemes	<u>24,000</u>	<u>25,500</u>

The company does not operate a long term incentive scheme

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank interest	80,955	92,323
Other interest	-	86,000
Hire purchase	2,615	3,139
	<u>83,570</u>	<u>181,462</u>

6 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	2006 £	2005 £
Current tax		
UK corporation tax	26,615	449,219
Overprovision prior years	(55,860)	-
Underprovision prior year	<u>131</u>	<u>-</u>
 Tax on (loss)/profit on ordinary activities	 <u>(29,114)</u>	 <u>449,219</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

6 TAXATION - continued**Factors affecting the tax (credit)/charge**

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

	2006 £	2005 £
(Loss)/profit on ordinary activities before tax	<u>(127,858)</u>	<u>1,520,949</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(38,357)	456,285
Effects of		
Other	-	740
Tax losses	-	(89,267)
Expenses not deduction for tax (including goodwill amortisation)	(2,732)	68,751
Capital allowances for period in excess of depreciation	11,169	9,004
Expensive lease cars	806	3,706
	<u> </u>	<u> </u>
Current tax (credit)/charge	<u>(29,114)</u>	<u>449,219</u>

7 LOSS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(1,329,737) (2005 - £(10,730))

8 INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
At 1 September 2005 and 31 August 2006	<u>3,161,401</u>
AMORTISATION	
At 1 September 2005	158,071
Amortisation for year	<u>158,071</u>
At 31 August 2006	<u>316,142</u>
NET BOOK VALUE	
At 31 August 2006	<u>2,845,259</u>
At 31 August 2005	<u>3,003,330</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

9 TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2005	149,527	125,019	87,402	208,236	570,184
Additions	-	-	6,426	56,587	63,013
Disposals	-	(116,270)	-	-	(116,270)
At 31 August 2006	149,527	8,749	93,828	264,823	516,927
DEPRECIATION					
At 1 September 2005	13,776	48,033	12,311	118,635	192,755
Charge for year	42,836	28,522	10,874	75,160	157,392
Eliminated on disposal	-	(69,209)	-	-	(69,209)
At 31 August 2006	56,612	7,346	23,185	193,795	280,938
NET BOOK VALUE					
At 31 August 2006	92,915	1,403	70,643	71,028	235,989
At 31 August 2005	135,751	76,986	75,091	89,601	377,429

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 September 2005	45,495	-	45,495
Additions	-	25,920	25,920
Disposals	(45,495)	-	(45,495)
At 31 August 2006	-	25,920	25,920
DEPRECIATION			
At 1 September 2005	29,066	-	29,066
Charge for year	11,374	3,770	15,144
Eliminated on disposal	(40,440)	-	(40,440)
At 31 August 2006	-	3,770	3,770
NET BOOK VALUE			
At 31 August 2006	-	22,150	22,150
At 31 August 2005	16,429	-	16,429

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

9 TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 September 2005	116,270	3,869	120,139
Disposals	(116,270)	-	(116,270)
At 31 August 2006	-	3,869	3,869
DEPRECIATION			
At 1 September 2005	43,603	2,479	46,082
Charge for year	25,606	1,390	26,996
Eliminated on disposal	(69,209)	-	(69,209)
At 31 August 2006	-	3,869	3,869
NET BOOK VALUE			
At 31 August 2006	-	-	-
At 31 August 2005	72,667	1,390	74,057

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
COST	
At 1 September 2005	45,495
Disposals	(45,495)
At 31 August 2006	-
DEPRECIATION	
At 1 September 2005	29,066
Charge for year	11,374
Eliminated on disposal	(40,440)
At 31 August 2006	-
NET BOOK VALUE	
At 31 August 2006	-
At 31 August 2005	16,429

10 FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1 September 2005 and 31 August 2006	4,009,465
NET BOOK VALUE	
At 31 August 2006	4,009,465
At 31 August 2005	4,009,465

Nevrus Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2006**

10 FIXED ASSET INVESTMENTS - continued

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

Subsidiaries

Opco Limited

Nature of business General Construction

	%
Class of shares	holding
Ordinary shares	100 00

Ballantyne Homes Limited

Nature of business Building & Selling of residential property

	%
Class of shares	holding
Ordinary shares	100 00

Propco Developments Limited

Nature of business Property Development

	%
Class of shares	holding
Ordinary shares	100 00

11 STOCKS

	Group	
	2006 £	2005 £
Stocks	4,236,792	2,232,145

12 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Trade debtors	373,987	1,042,097	-	-
Social security and other taxes	287,724	144,875	-	-
Amounts recoverable on contracts	3,026,513	1,230,100	-	-
Other debtors	1,470,089	1,007,994	295,679	29,850
Amounts due from group undertakings	-	-	1,133,686	1,229,686
Directors' current accounts (see note 22)	11,741	7,109	11,741	7,109
Prepayments	518,004	123,836	-	1,450
	<u>5,688,058</u>	<u>3,556,011</u>	<u>1,441,106</u>	<u>1,268,095</u>

13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Bank loans and overdrafts (see note 15)	2,144,296	463,155	-	-
Hire purchase contracts (see note 16)	11,045	5,040	-	5,040
Trade creditors	767,204	1,062,817	-	-
Corporation tax	37,175	282,309	-	25,916
Social security and other taxes	380,061	165,421	219,320	21,238
Other creditors	42,823	13,307	2,383	50
Sub contractor creditors	1,290,237	975,559	-	-
Advance progress applications	-	705,105	-	-
Amounts due to group undertakings	-	-	2,879,513	1,608,332
Accruals & deferred income	6,751,472	3,817,894	14,287	119,500
	<u>11,424,313</u>	<u>7,490,607</u>	<u>3,115,503</u>	<u>1,780,076</u>

Nevrus Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2006**

14 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Hire purchase contracts (see note 16)	<u>10,718</u>	<u>20,745</u>	<u>-</u>	<u>20,745</u>

15 LOANS

An analysis of the maturity of loans is given below

	Group	
	2006	2005
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>2,144,296</u>	<u>463,155</u>

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2006	2005
	£	£
Net obligations repayable		
Within one year	11,045	5,040
Between one and five years	<u>10,718</u>	<u>20,745</u>
	<u>21,763</u>	<u>25,785</u>

Company

	Hire purchase contracts	
	2006	2005
	£	£
Net obligations repayable		
Within one year	-	5,040
Between one and five years	<u>-</u>	<u>20,745</u>
	<u>-</u>	<u>25,785</u>

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

Group

	Land and buildings		Other operating leases	
	2006	2005	2006	2005
	£	£	£	£
Expiring				
Within one year	-	20,320	13,521	18,978
Between one and five years	<u>35,000</u>	<u>35,000</u>	<u>6,566</u>	<u>44,017</u>
	<u>35,000</u>	<u>55,320</u>	<u>20,087</u>	<u>62,995</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**Company**

	Other operating leases	
	2006	2005
	£	£
Expiring		
Within one year	-	9,798
	<u>-</u>	<u>9,798</u>

17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans	2,144,296	463,155	-	-
Hire purchase contracts	21,763	25,785	-	25,785
	<u>2,166,059</u>	<u>488,940</u>	<u>-</u>	<u>25,785</u>

Bank loans are secured by way of a fixed charge over the freehold land of Ballantyne Homes Limited and Propco Developments Ltd which are included in stock, and also the present and future book and other debts, and other monetary claims of Ballantyne Homes Limited

The hire purchase contracts are secured on the assets to which they relate

18 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid			2006	2005
Number	Class	Nominal value	£	£
10,000	Ordinary	£1	10,000	10,000
4,284	Ordinary B shares	£1	4,284	-
			<u>14,284</u>	<u>10,000</u>

The following fully paid shares were allotted during the year at a premium as shown below

4,284 Ordinary B shares shares of £1 each at £41 per share

Nevrus Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2006**

19 RESERVES

Group

	Profit and loss account £	Share premium £	Merger reserve £	Totals £
At 1 September 2005	930,714	-	3,383,095	4,313,809
Deficit for the year	(98,744)			(98,744)
Transfer to merger reserve - Goodwill	147,725	-	(147,725)	-
Cash share issue	-	145,200	-	145,200
At 31 August 2006	<u>979,695</u>	<u>145,200</u>	<u>3,235,370</u>	<u>4,360,265</u>

Company

	Profit and loss account £	Share premium £	Merger reserve £	Totals £
At 1 September 2005	16,993	-	3,530,820	3,547,813
Deficit for the year	(1,329,737)			(1,329,737)
Cash share issue	-	145,200	-	145,200
At 31 August 2006	<u>(1,312,744)</u>	<u>145,200</u>	<u>3,530,820</u>	<u>2,363,276</u>

Shares with a total nominal value of £4,284 were issued in the year for a consideration of £180,000. Legal and professional fees totalling £30,516 relating to the share issue have been deducted from the share premium balance, resulting in a balance carried forward of £145,200.

20 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 August 2006 and 31 August 2005

	2006 £	2005 £
N Kelly		
Balance outstanding at start of year	774	-
Balance outstanding at end of year	5,467	774
Maximum balance outstanding during year	<u>5,467</u>	<u>774</u>
P I Jones		
Balance outstanding at start of year	6,335	-
Balance outstanding at end of year	4,585	6,335
Maximum balance outstanding during year	<u>6,335</u>	<u>6,335</u>

The directors loan accounts are interest free, unsecured and there are no fixed repayment dates.

21 RELATED PARTY DISCLOSURES

No disclosure of transactions with group companies has been given in these accounts as permitted by the exemptions available by FRS 8 Related Party Disclosure.

22 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

Nevrus Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2006

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2006	2005
	£	£
(Loss)/Profit for the financial year	(98,744)	1,071,730
Merger reserve	-	3,530,820
Issue of share capital	149,484	9,800
Write back of minority interest	-	94,910
Net addition to shareholders' funds	50,740	4,707,260
Opening shareholders' funds	4,323,809	(383,451)
Closing shareholders' funds	4,374,549	4,323,809
Equity interests	4,374,549	4,323,809

Company

	2006	2005
	£	£
Loss for the financial year	(1,329,737)	(10,730)
Merger reserve	-	3,530,820
Issue of share capital	149,484	9,800
Net (reduction)/addition to shareholders' funds	(1,180,253)	3,529,890
Opening shareholders' funds	3,557,813	27,923
Closing shareholders' funds	2,377,560	3,557,813
Equity interests	2,377,560	3,557,813