

Eric Wright FM Limited

**Directors' report and financial
statements**

Registered number 4540287

31 December 2006

TUESDAY



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Directors' report

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

Principal activities

The principal activity of the company in the year under review was that of facilities management

Business review

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

Dividends

No dividends will be distributed for the year ended 31 December 2006 (2005 £nil)

Directors and directors' interests

The directors who held office during the year were as follows

RE Wright
JF Carter
ME Collier
R Turpin

None of the directors who held office during the year held any beneficial interest in the issued share capital of the company at 1 January 2006 or 31 December 2006

The interests of the directors in the share capital of the ultimate holding company, Henmead Limited, are shown in the directors' report of those accounts

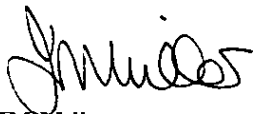
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



JM Miller
Secretary

Sceptre House
Sceptre Way
Bamber Bridge
PRESTON
PR5 6AW

18/1/2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

Edward VII Quay
Navigation Way
Preston
PR2 2YF
United Kingdom

Independent Auditors' Report to the members of Eric Wright FM Limited

We have audited the financial statements of Eric Wright FM Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes. 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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.

Independent auditors' report to the members of Eric Wright FM Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK 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

KPMG LLP
KPMG LLP
Chartered Accountants
Registered Auditor

16 August 2007

Profit and loss account
for the year ended 31 December 2006

	<i>Note</i>	2006 £	2005 £
Turnover	<i>1</i>	2,638,819	1,749,393
Cost of sales		(1,655,715)	(895,967)
Gross profit		<u>983,104</u>	<u>853,426</u>
Administrative expenses		(902,758)	(704,267)
Operating profit		<u>80,346</u>	<u>149,159</u>
Interest receivable and similar income		-	152
Profit on ordinary activities before taxation	<i>3</i>	<u>80,346</u>	<u>149,311</u>
Tax on profit on ordinary activities	<i>4</i>	(28,196)	(40,239)
Profit for the financial year	<i>12</i>	<u>52,150</u>	<u>109,072</u>

All amounts relate to continuing operations

Statement of total recognised gains and losses
for the period ended 31 December 2006

The company has no recognised gains or losses other than the profits for the current and prior year

Balance sheet
 at 31 December 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	5	66,681	46,698
Current assets			
Debtors	6	622,173	386,401
Cash at bank and in hand		483,799	319,223
		<u>1,105,972</u>	<u>705,624</u>
Creditors amounts falling due within one year	7	(915,407)	(550,649)
Net current assets		<u>190,565</u>	<u>154,975</u>
Provisions for liabilities and charges	8	(3,423)	-
Net assets		<u>253,823</u>	<u>201,673</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	12	253,821	201,671
Equity shareholders' funds		<u>253,823</u>	<u>201,673</u>

These financial statements were approved by the board of directors on 18 July 2007 and were signed on its behalf by

Director



Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

Under Financial Reporting Standard ("FRS") 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Henmead Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

As the company is a wholly owned subsidiary of Henmead Limited, the company has taken advantage of the exemption in FRS 25 and has therefore not included detailed financial instrument disclosures in line with FRS 25

The consolidated financial statements of Henmead Limited, within which this company is included, can be obtained from Companies House, Crown Way, Cardiff

Turnover

Turnover represents facilities management charges to group companies

Tangible fixed assets

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

Fixtures and fittings	-	20% on cost
Motor vehicles	-	25% reducing balance

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date

Pensions

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

2 Staff costs

	2006 £	2005 £
Wages and salaries	770,675	532,684
Social security costs	83,627	59,035
Other pension costs	34,399	24,294
	<u>888,701</u>	<u>616,013</u>

Notes (continued)

2 Staff costs (continued)

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

Administration	9	7
Direct labour	16	12
	<u>25</u>	<u>19</u>

	2006	2005
	£	£
<i>Remuneration of directors</i>		
Directors' emoluments	217,472	150,000
Directors' pension contributions	9,018	7,231
	<u>226,490</u>	<u>157,231</u>

Retirement benefits are accruing to one director (2005 one) under a money purchase scheme

3 Profit on ordinary activities

Profit on ordinary activities before taxation is stated after charging

	2006	2005
	£	£
Depreciation – owned assets	14,784	11,211
Auditors' remuneration	1,475	1,400
	<u>16,259</u>	<u>12,611</u>

4 Taxation

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

	2006	2005
	£	£
UK corporation tax at 19% (2005 30%)	2,375	103,299
Adjustments in respect of prior years	(45,377)	3,465
Current tax	<u>(43,002)</u>	<u>106,764</u>
Deferred taxation	71,198	(66,525)
	<u>28,196</u>	<u>40,239</u>

Notes (continued)

4 Taxation (continued)

Factors affecting the tax charge for the current year

	2006 £	2005 £
Profit on ordinary activities before taxation	80,346	147,514
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 30%)	15,266	44,254
Expenses not deductible for tax purposes	-	59,769
Difference between capital allowances and depreciation	(2,391)	(1,007)
Group relief	(7,132)	-
Other short term timing differences	(3,368)	283
Adjustment in respect of prior years	(45,377)	3,465
Current tax (credit)/charge for the year	(43,002)	106,764

5 Tangible fixed assets

	Fixtures and fittings £	Motor Vehicles £	Total £
Cost			
As at beginning of year	5,889	67,632	73,521
Additions	8,807	25,960	34,767
At end of year	14,696	93,592	108,288
Depreciation			
As at beginning of year	3,530	23,293	26,823
Charge for year	1,544	13,240	14,784
At end of year	5,074	36,533	41,607
Net book value			
At 31 December 2006	9,622	57,059	66,681
At 31 December 2005	2,359	44,339	46,698

6 Debtors

	2006 £	2005 £
Trade debtors	239,279	45,783
Amounts due from parent company	3,178	-
Amounts due from group companies	27,835	683
Prepayments and accrued income	306,844	254,556
Other debtors	45,037	85,379
	622,173	386,401

Included in other debtors is a deferred tax asset of £nil (2005 £66,525)

Notes (continued)

7 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	273,127	92,865
Due to parent company	-	102,482
Due to group companies	1,207	45,190
Taxation and social security	101,614	66,657
Other creditors	297	1,114
Accruals	539,162	242,340
	<u>915,407</u>	<u>550,649</u>

8 Provisions for liabilities and charges

Deferred taxation

Arising on the difference between accumulated depreciation and capital allowances

	2006 £
At 1 January 2006	(66,525)
Charge for year	69,948
At 31 December 2006	<u>3,423</u>

9 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
<i>Allotted, issued and fully paid</i>		
Ordinary shares of £1 each	2	2

10 Contingent liabilities

The company has given an unlimited cross guarantee against the bank borrowings of all other group companies. This is supported by a first legal charge over certain group assets.

11 Pension commitments

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the period is £34,399 (2005 £24,294) and the amount due to the scheme at the year end is £nil (2005 £nil).

Notes (continued)

12 Reserves

	Profit and loss account £
At 1 January 2006	201,671
Profit for the year	52,150
At 31 December 2006	<u>253,821</u>

13 Ultimate parent company

The company is a wholly owned subsidiary of Eric Wright Group Limited. The ultimate holding company is Henmead Limited, a company incorporated in England.