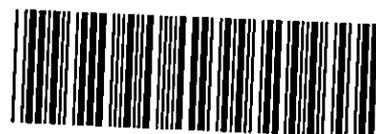


DERRY BUILDING SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2008

Company Registration Number 1481063

Tenon Limited
Accountants and Business Adv
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

TUESDAY



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COMPANIES HOUSE

DERRY BUILDING SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

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DERRY BUILDING SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 AUGUST 2008

The board of directors	M S Sheldon M G Townsend S G Burley
Company secretary	M S Sheldon
Business address	Sam Derry House London Road Newark Nottinghamshire NG24 1JP
Registered office	Sam Derry House London Road Newark Nottinghamshire NG24 1JP
Auditor	Tenon Audit Limited Registered Auditor The Poynt 45 Wollaton Street Nottingham NG1 5FW
Accountants	Tenon Limited Accountants and Business Advisers The Poynt 45 Wollaton Street Nottingham NG1 5FW

DERRY BUILDING SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2008

The directors present their report and the financial statements of the company for the year ended 31 August 2008.

Principal activities and business review

The main activity of the company is unchanged and is principally that of mechanical services engineering and electrical contractors.

The directors are pleased to report a successful year, with turnover reaching a record high of £43.6m, 7% higher than the previous year and pre tax profit increasing by 54% to £1.8m.

The small works and maintenance divisions enjoyed continued growth, producing good financial performances.

The maintenance division retains a good pro-active maintenance portfolio.

We continually strive to maintain a high level of client satisfaction and this has been rewarded with the continuation of established partnering arrangements.

We have been awarded the RoSPA Gold Award for Health and Safety for the fifth successive year.

The directors believe that the company is well placed to deliver a satisfactory financial performance in the forthcoming year despite turmoil and uncertainty in the global economy.

Current Assets exceed current liabilities by £5.3m at the year end. Net assets of the company were £5.6m with no long term debt.

Results and dividends

The profit for the year, after taxation, amounted to £1,287,181. Particulars of dividends paid are detailed in note 8 to the financial statements.

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors who served the company during the year were as follows:

M S Sheldon
M G Townsend
J I Derry
S G Burley

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:

DERRY BUILDING SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2008

- 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; and
- 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 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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

Signed on behalf of the directors



M S Sheldon
Director

Approved by the directors on 5 June 2009

Tenon audit

DERRY BUILDING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DERRY BUILDING SERVICES LIMITED

YEAR ENDED 31 AUGUST 2008

We have audited the financial statements of Derry Building Services Limited on pages 4 to 14 for the year ended 31 August 2008. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 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 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 the company's affairs as at 31 August 2008 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.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

5 June 2009

DERRY BUILDING SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2008

	Note	2008 £	2007 £
Turnover	2	43,640,799	40,849,102
Cost of sales		(38,053,947)	(35,758,683)
Gross profit		<u>5,586,852</u>	<u>5,090,419</u>
Administrative expenses		(4,053,410)	(4,124,572)
Operating profit	3	<u>1,533,442</u>	<u>965,847</u>
Interest receivable and similar income	6	269,336	202,915
Profit on ordinary activities before taxation		<u>1,802,778</u>	<u>1,168,762</u>
Tax on profit on ordinary activities	7	(515,597)	(328,576)
Profit for the financial year		<u>1,287,181</u>	<u>840,186</u>

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

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

The notes on pages 6 to 14 form part of these financial statements.

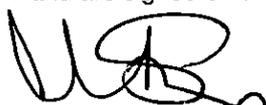
DERRY BUILDING SERVICES LIMITED

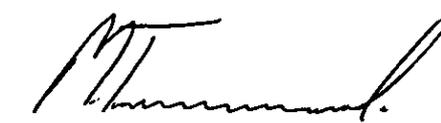
BALANCE SHEET

31 AUGUST 2008

	Note	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	9		240,564		275,155
Current assets					
Debtors	10	8,003,722		4,546,531	
Cash at bank and in hand		8,750,814		11,695,757	
		<u>16,754,536</u>		<u>16,242,288</u>	
Creditors: Amounts falling due within one year	12	<u>(11,429,584)</u>		<u>(11,701,474)</u>	
Net current assets			5,324,952		4,540,814
Total assets less current liabilities			<u>5,565,516</u>		<u>4,815,969</u>
Provisions for liabilities					
Deferred taxation	11		-		<u>(4,634)</u>
			<u>5,565,516</u>		<u>4,811,335</u>
Capital and reserves					
Called-up share capital	18		10,000		10,000
Profit and loss account	19		5,555,516		4,801,335
Shareholder's funds	20		<u>5,565,516</u>		<u>4,811,335</u>

These financial statements were approved by the directors and authorised for issue on 5 June 2009, and are signed on their behalf by:


M S Sheldon


M G Townsend

The notes on pages 6 to 14 form part of these financial statements.

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

1. Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover, which is net of value added tax, represents the value of work done in the year.

Where the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, turnover and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Tangible fixed assets and depreciation

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

Plant and equipment	4-5 years (straight line)
Leasehold improvements	4%
Fixtures, fittings and equipment	10 - 33 1/3%

Tangible fixed assets are stated at original cost less accumulated depreciation. The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition.

Operating leases

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

Pensions

The company participates in the Bowmer & Kirkand Limited Pension and Life Assurance Scheme which is a funded defined benefit scheme. The assets of the scheme are held in separate trustee administered funds. More than one employer participates in the defined benefit scheme. Derry Building Services Limited is unable to identify its share of the underlying assets and liabilities in the scheme on a constant and reasonable basis. The contributions to the scheme have therefore been accounted for as if it were a defined contribution scheme and are charged to the profit and loss account in the year in which they become payable.

Contributions payable for the year to the group defined contribution scheme are charged in the profit and loss account.

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date which are expected to result in an obligation to pay more tax in future periods, or a right to pay less tax in future periods.

Deferred tax is measured at the undiscounted average tax rates expected to apply in the periods in which the timing differences are expected to reverse.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Contract work in progress

In accordance with SSAP9, amounts recoverable on contracts, which are included in debtors, are stated at cost less progress payments receivable plus an appropriate amount of profit in the case of long term contracts.

Provisions are made for contingencies and losses incurred or anticipated in bringing contracts to completion.

For contracts where progress payments exceed the book value of work done, the excess is included in creditors as payments on account.

Dividends

In accordance with Financial Reporting Standard 21 "Events after the Balance Sheet date", dividends declared prior to the balance sheet date are recognised as liabilities in the financial statements at the balance sheet date. If the company declares dividends after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date.

2. Turnover

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

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>43,640,799</u>	<u>40,849,102</u>

3. Operating profit

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	114,900	99,259
Auditors remuneration	<u>12,360</u>	<u>12,000</u>

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

3. Operating profit (continued)

Fees payable to the company's auditor for other services have not been disclosed as the relevant information is given in the accounts of Bowmer & Kirkland Limited, the ultimate parent company.

4. Particulars of employees

The average number of persons employed by the company during the financial year, including the directors, amounted to 227 (2007 - 220).

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	7,843,619	7,056,270
Social security costs	704,124	641,985
Other pension costs	497,030	508,347
	<u>9,044,773</u>	<u>8,206,602</u>

5. Directors' emoluments

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

	2008	2007
	£	£
Emoluments receivable	<u>714,678</u>	<u>414,895</u>

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	<u>446,667</u>	<u>186,058</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £27,915 (2007 - £26,567).

The number of directors on whose behalf the company made pension contributions was as follows:

	2008	2007
	No	No
Defined benefit schemes	<u>3</u>	<u>3</u>

6. Interest receivable and similar income

	2008	2007
	£	£
Bank interest receivable	269,300	191,630
Other loan interest receivable	36	25
Other similar income receivable	-	11,260
	<u>269,336</u>	<u>202,915</u>

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

7. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
In respect of the year:		
UK Corporation tax	526,460	346,141
Over/under provision in prior year	-	(11,199)
	<u>526,460</u>	<u>334,942</u>
Deferred tax:		
Origination and reversal of timing differences	(10,863)	(6,366)
Tax on profit on ordinary activities	<u>515,597</u>	<u>328,576</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>1,802,778</u>	<u>1,168,762</u>
Profit on ordinary activities by rate of tax	504,778	350,629
Effects of:		
Expenses not deductible for tax purposes	5,707	3,480
Capital allowances less than depreciation	10,553	6,701
Transfer pricing adjustment	(13,691)	(14,669)
Non-qualifying depreciation	236	-
Adjustments to tax charge in respect of previous periods	-	(11,199)
Change in UK tax rates	18,877	-
Total current tax (note 7(a))	<u>526,460</u>	<u>334,942</u>

8. Dividends

Equity dividends

	2008 £	2007 £
Paid during the year		
Equity dividends on ordinary shares	<u>533,000</u>	<u>400,000</u>

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

9. Tangible fixed assets

	Leasehold improvements	Plant and Equipment	Total
	£	£	£
Cost			
At 1 September 2007	21,107	962,627	983,734
Additions	–	80,309	80,309
At 31 August 2008	<u>21,107</u>	<u>1,042,936</u>	<u>1,064,043</u>
Depreciation			
At 1 September 2007	14,419	694,160	708,579
Charge for the year	844	114,056	114,900
At 31 August 2008	<u>15,263</u>	<u>808,216</u>	<u>823,479</u>
Net book value			
At 31 August 2008	<u>5,844</u>	<u>234,720</u>	<u>240,564</u>
At 31 August 2007	<u>6,688</u>	<u>268,467</u>	<u>275,155</u>

10. Debtors

	2008	2007
	£	£
Trade debtors	4,388,950	2,298,561
Amounts owed by group undertakings	128,251	364,391
Amounts recoverable on contracts	3,428,438	1,831,603
Other debtors	3,896	14,720
Prepayments and accrued income	47,958	37,256
Deferred taxation (note 11)	6,229	–
	<u>8,003,722</u>	<u>4,546,531</u>

The debtors above include the following amounts falling due after more than one year:

	2008	2007
	£	£
Trade debtors	383,147	238,898
Amounts owed by group undertakings	131,452	163,320
	<u>514,599</u>	<u>402,218</u>

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

11. Deferred taxation

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

	2008	2007
	£	£
Included in debtors (note 10)	6,229	-
Included in provisions	-	(4,634)
	<u>6,229</u>	<u>(4,634)</u>

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

	2008	2007
	£	£
At 1 September 2007	(4,634)	(11,000)
Profit and loss account movement arising during the year	10,863	6,366
At 31 August 2008	<u>6,229</u>	<u>(4,634)</u>

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

	2008	2007
	£	£
Excess of depreciation over taxation allowances	6,229	(4,634)
	<u>6,229</u>	<u>(4,634)</u>

12. Creditors: Amounts falling due within one year

	2008	2007
	£	£
Payments received on account	303,056	941,974
Trade creditors	9,350,174	8,364,877
Amounts owed to group undertakings	123,290	607,500
Corporation tax	526,460	346,141
Other taxation and social security	543,107	1,181,002
Other creditors	26,870	-
Accruals and deferred income	556,627	259,980
	<u>11,429,584</u>	<u>11,701,474</u>

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

13. Pensions

The company participates in the Bowmer & Kirkland Limited Pension and Life Assurance Scheme which is a funded defined benefit scheme. The assets of the scheme are held in separate trustee administered funds.

More than one employer participates in the defined benefit scheme. Derry Building Services Ltd is unable to identify its share of the underlying assets and liabilities in the scheme on a constant and reasonable basis.

The contributions to the scheme of £314,129 (2007: £395,667) have therefore been accounted for as if it were a defined contribution scheme and are charged to the profit and loss account in the year in which they become payable.

At the date of the latest full actuarial valuation on 6 April 2006 the market value of the assets of the scheme was £ 52.63 million and the actuarial value of the assets was sufficient to cover 61.2% of the benefits which had accrued to members.

The fair value of the scheme assets and the present value of the scheme liabilities at 31 August 2008 and 2007 were as follows:

	2008 £'000	2007 £'000
Equities	18,508	22,573
Bonds	75,074	57,481
Property	6,859	8,449
Cash	2,775	2,769
Other (secured pensions)	59	57
	<u>103,275</u>	<u>91,329</u>
Assets		
Liabilities	(87,108)	(81,786)
	<u>16,167</u>	<u>9,543</u>
Net asset before deferred tax		
Related deferred tax liability	(4,527)	(2,863)
	<u>11,640</u>	<u>6,680</u>
Net asset		

The company also contributed to a group defined contribution scheme, contributions in the year were £182,901(2007: £112,680).

14. Derivatives

The company has no financial instruments that fall to be classified as derivatives.

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity, and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

15. Commitments under operating leases

At 31 August 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2008 £	<i>Land and buildings 2007 £</i>
Operating leases which expire: Within 2 to 5 years	<u>17,000</u>	<u>50,000</u>

16. Contingencies

The group operates a pooled facility with its bankers. Although the group had a net cash balance of £182,367,645 (2007: £131,751,578) at 31 August 2008, certain subsidiaries had overdrafts amounting to £86,651,941 (2007: £89,701,285) at that date.

Unlimited multilateral bank guarantees have been given by Bowmer & Kirkland Limited, and certain other subsidiary companies to secure these overdrafts.

17. Related parties

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions or balances with Bowmer & Kirkland Limited on the grounds that the company is a wholly owned subsidiary of Bowmer & Kirkland Limited. The company has also taken advantage of the exemption not to disclose transactions or balances with other subsidiaries of Bowmer & Kirkland Limited where at least 90% of the voting rights are controlled within the group.

During the year there were the following transactions required to be disclosed:

		2008 £	<i>2007 £</i>
Derry Pension Fund	Rent paid	<u>—</u>	<u>50,000</u>

Control relationships

J I Derry is a member of the Derry Pension Fund.

18. Share capital

Authorised share capital:

	2008 £	<i>2007 £</i>
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2008		<i>2007</i>	
	No	£	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

DERRY BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2008

19. Profit and loss account

	2008 £	2007 £
Balance brought forward	4,801,335	4,361,149
Profit for the financial year	1,287,181	840,186
Equity dividends	(533,000)	(400,000)
Balance carried forward	<u>5,555,516</u>	<u>4,801,335</u>

20. Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Profit for the financial year	1,287,181	840,186
Equity dividends	(533,000)	(400,000)
Net addition to shareholder's funds	<u>754,181</u>	<u>440,186</u>
Opening shareholder's funds	4,811,335	4,371,149
Closing shareholder's funds	<u>5,565,516</u>	<u>4,811,335</u>

21. Ultimate parent company

The company is a wholly owned subsidiary of Bowmer & Kirkland Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Bowmer & Kirkland Limited.

The financial statements of Bowmer & Kirkland Limited can be obtained from Companies House.

The directors consider the ultimate controlling party to be the Kirkland Family Trusts.