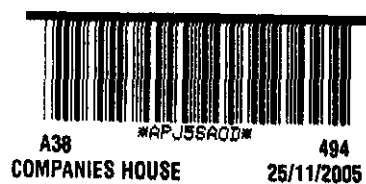


Report of the Director and
Financial Statements For The Year Ended 31 January 2005
for
CASTLE POINT GAS & HEATING CO. LIMITED



CASTLE POINT GAS & HEATING CO. LIMITED

Contents of the Financial Statements
For The Year Ended 31 January 2005

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CASTLE POINT GAS & HEATING CO. LIMITED

Company Information
For The Year Ended 31 January 2005

DIRECTOR: Mr D Wells

SECRETARY: Mrs J J Martin

REGISTERED OFFICE: Hillside
Goldfinch Lane
Thundersley
Benfleet
ESSEX
SS7 3LS

REGISTERED NUMBER: 1765130

AUDITORS: K E Jay & Co. Chartered Certified Accountants
Registered Auditors
2 Weald Road
Brentwood
Essex
CM14 4SX

CASTLE POINT GAS & HEATING CO. LIMITED

Report of the Director For The Year Ended 31 January 2005

The director presents his report with the financial statements of the company for the year ended 31 January 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of heating installation and maintenance in the gas and associated industries.

REVIEW OF BUSINESS

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

The Director considers that it has been a satisfactory year. The prospects for the longer term continue, as always, to be difficult to predict, but the current outlook remains satisfactory. The Director recommends that no further dividend be declared for the year other than the dividend already paid.

DIVIDENDS

The director recommends a final dividend of £2,500 per share.

The total distribution of dividends for the year ended 31 January 2005 will be £250,000.

DIRECTOR

Mr D Wells was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31/1/05	1/2/04
Ordinary £1 shares	100	100

DONATIONS

The company made charitable donations totalling £12,187 during the year, ten of which were in excess of £200. Political donations amounting to £6,000 were made to the labour party during the year.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS

The auditors, K E Jay & Co. Chartered Certified Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mr D Wells - Director

Date: 21-11-05

Report of the Independent Auditors to the Shareholders of
Castle Point Gas & Heating Co. Limited

We have audited the financial statements of Castle Point Gas & Heating Co. Limited for the year ended 31 January 2005 on pages four to eleven. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 director and auditors

As described on page two the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Director 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

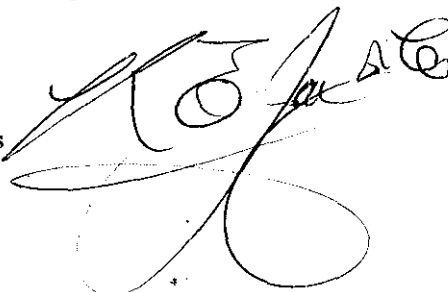
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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.

Qualified Opinion

No cashflow statement has been produced as required by financial reporting standard No.1. Apart from this, In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2005 and of its profit for the year then ended and have been properly prepared in accordance with the companies act 1985.

K E Jay & Co. Chartered Certified Accountants
Registered Auditors
2 Weald Road
Brentwood
Essex
CM14 4SX



Date: 22/11/05

CASTLE POINT GAS & HEATING CO. LIMITED

Profit and Loss Account
For The Year Ended 31 January 2005

		31/1/05	31/1/04
	Notes	£	£
TURNOVER		7,813,464	6,823,210
Cost of sales		5,421,038	4,763,907
GROSS PROFIT		2,392,426	2,059,303
Administrative expenses		835,480	623,186
OPERATING PROFIT	3	1,556,946	1,436,117
Interest receivable and similar income		73,462	16,752
		1,630,408	1,452,869
Interest payable and similar charges	4	792	1,550
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,629,616	1,451,319
Tax on profit on ordinary activities	5	497,952	439,837
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,131,664	1,011,482
Dividends	6	250,000	900,000
		881,664	111,482
Retained profit brought forward		290,434	178,952
RETAINED PROFIT CARRIED FORWARD		<u>£1,172,098</u>	<u>£290,434</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

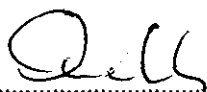
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

CASTLE POINT GAS & HEATING CO. LIMITED

Balance Sheet
31 January 2005

		<u>31/1/05</u>		<u>31/1/04</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		176,012		116,777
CURRENT ASSETS:					
Stocks	8	578,109		201,387	
Debtors	9	997,054		942,194	
Cash at bank and in hand		1,443,568		1,097,115	
		<u>3,018,731</u>		<u>2,240,696</u>	
CREDITORS: Amounts falling due within one year	10	<u>2,003,190</u>		<u>2,052,878</u>	
NET CURRENT ASSETS:			<u>1,015,541</u>		<u>187,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,191,553		304,595
PROVISIONS FOR LIABILITIES AND CHARGES:	13		<u>17,340</u>		<u>11,375</u>
			<u>£1,174,213</u>		<u>£293,220</u>
CAPITAL AND RESERVES:					
Called up share capital	14		100		100
Revaluation reserve	15		2,015		2,686
Profit and loss account			<u>1,172,098</u>		<u>290,434</u>
SHAREHOLDERS' FUNDS:	17		<u>£1,174,213</u>		<u>£293,220</u>

ON BEHALF OF THE BOARD:



Mr D Wells - Director

Approved by the Board on 21-11-05

CASTLE POINT GAS & HEATING CO. LIMITED

Notes to the Financial Statements **For The Year Ended 31 January 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The company has applied all relevant accounting standards with the exception of financial reporting standard No.1 - cashflow statement.

Turnover

Turnover represents net invoiced sale of goods and services, excluding value added tax.

The whole of the turnover is attributable to the one principal activity of the company, heating installation and maintenance. All turnover can be geographically analysed to the United Kingdom.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. In the case of assets held under a finance lease depreciation is provided over the lease term.

Plant and machinery	-25% on reducing balance
Fixtures and fittings	-25% on reducing balance
Motor vehicles	-25% on reducing balance
Computer equipment	-25% on reducing balance

As a result of the revaluation of plant and machinery the surplus in common with cost is being reduced at 25% on a reducing balance.

Stocks

Stock and work in progress are valued, by the director, at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

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.

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 term of the lease, 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 future payments is treated as a liability.

Rentals under operating leases are charged against income as incurred.

Pensions

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. Contributions payable for the year are charged in the profit and loss account.

CASTLE POINT GAS & HEATING CO. LIMITED

Notes to the Financial Statements
For The Year Ended 31 January 2005

2. STAFF COSTS

	31/1/05	31/1/04
	£	£
Wages, salaries and social security	151,7117	1,163,451
Pension costs	197,000	72,000
	<u>1,714,117</u>	<u>1,187,453</u>

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

	31/1/05	31/1/04
Managing Director	1	1
Direct Labour	43	40
Administrative Labour	5	5
	<u>49</u>	<u>46</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31/1/05	31/1/04
	£	£
Hire of plant and machinery	5,530	8,837
Depreciation - owned assets	58,664	29,201
Depreciation - assets on finance leases	-	21,300
Loss on disposal of fixed assets	4,190	1,253
Auditors' remuneration	8,750	5,000
	<u>100,000</u>	<u>100,000</u>
Director's emoluments	100,000	100,000
Director's pension contributions to money purchase schemes	172,000	72,000
	<u>172,000</u>	<u>72,000</u>

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

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31/1/05	31/1/04
	£	£
Bank interest	28	149
Interest On Taxation	764	1,401
	<u>792</u>	<u>1,550</u>

CASTLE POINT GAS & HEATING CO. LIMITED

Notes to the Financial Statements For The Year Ended 31 January 2005

5. TAXATION

Analysis of the tax charge

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

	31/1/05 £	31/1/04 £
Current tax:		
UK corporation tax	491,987	434,769
Deferred taxation	5,965	5,068
Tax on profit on ordinary activities	<u>497,952</u>	<u>439,837</u>

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

6. DIVIDENDS

	31/1/05 £	31/1/04 £
Equity shares:		
Final Dividend	<u>250,000</u>	<u>900,000</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST OR VALUATION:					
At 1 February 2004	42,595	8,336	242,696	21,534	315,161
Additions	4,500	7,064	97,316	14,707	123,587
Disposals	-	-	(18,181)	-	(18,181)
At 31 January 2005	<u>47,095</u>	<u>15,400</u>	<u>321,831</u>	<u>36,241</u>	<u>420,567</u>
DEPRECIATION:					
At 1 February 2004	33,940	4,025	149,324	11,093	198,382
Charge for year	3,289	2,843	46,245	6,287	58,664
Eliminated on disposals	-	-	(12,491)	-	(12,491)
At 31 January 2005	<u>37,229</u>	<u>6,868</u>	<u>183,078</u>	<u>17,380</u>	<u>244,555</u>
NET BOOK VALUE:					
At 31 January 2005	<u>9,866</u>	<u>8,532</u>	<u>138,753</u>	<u>18,861</u>	<u>176,012</u>
At 31 January 2004	<u>8,655</u>	<u>4,311</u>	<u>93,370</u>	<u>10,441</u>	<u>116,777</u>

CASTLE POINT GAS & HEATING CO. LIMITED

Notes to the Financial Statements
For The Year Ended 31 January 2005

7. TANGIBLE FIXED ASSETS - continued

If Plant and machinery had not been revalued it would have been included at the following historical cost:

	31/1/05	31/1/04
	£	£
Cost	40,727	36,227
Aggregate Depreciation	32,876	30,259
	<hr/>	<hr/>
Value of Plant and Machinery	7,851	5,968
	<hr/>	<hr/>

Plant and machinery was valued on a replacement basis by the director on 26 March 2003.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 February 2004	96,611
Transferred to ownership	(96,611)
	<hr/>
At 31 January 2005	-
	<hr/>
DEPRECIATION:	
At 1 February 2004	66,976
Transferred to ownership	(66,976)
	<hr/>
At 31 January 2005	-
	<hr/>
NET BOOK VALUE:	
At 31 January 2005	-
	<hr/>
At 31 January 2004	29,635
	<hr/>

8. STOCKS

	31/1/05	31/1/04
	£	£
Stock	27,500	22,640
Work in progress	550,609	178,747
	<hr/>	<hr/>
	578,109	201,387
	<hr/>	<hr/>

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31/1/05	31/1/04
	£	£
Trade debtors	902,839	894,285
Other debtors	74,377	26,693
Prepayments & accrued income	19,838	21,216
	<hr/>	<hr/>
	997,054	942,194
	<hr/>	<hr/>

CASTLE POINT GAS & HEATING CO. LIMITED

Notes to the Financial Statements
For The Year Ended 31 January 2005

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31/1/05 £	31/1/04 £
Finance leases (see note 11)	-	29,636
Trade creditors	651,569	566,121
Directors current account	124,285	423,905
Directors' Fees	52,000	52,000
Other creditors	281,449	168,871
Accruals	112,106	96,288
Social security & other taxes	289,794	281,288
Taxation	491,987	434,769
	<u>2,003,190</u>	<u>2,052,878</u>

11. OBLIGATIONS UNDER LEASING AGREEMENTS

	31/1/05 £	31/1/04 £
Gross obligations repayable: Within one year	-	29,636
Net obligations repayable: Within one year	-	29,636

12. SECURED DEBTS

The following secured debts are included within creditors:

	31/1/05 £	31/1/04 £
Finance leases	-	29,636

13. PROVISIONS FOR LIABILITIES AND CHARGES

	31/1/05 £	31/1/04 £
Deferred Taxation	17,340	11,375
	<u>Deferred tax</u>	<u>Revaluation Reserve</u>
	£	£
Balance at 1 February 2004	11,375	2,686
Increase in provision	5,965	-
Plant and Machinery revalued		
Depreciation	-	(671)
Balance at 31 January 2005	<u>17,340</u>	<u>2,015</u>

CASTLE POINT GAS & HEATING CO. LIMITED

Notes to the Financial Statements For The Year Ended 31 January 2005

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/1/05 £	31/1/04 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

15. REVALUATION RESERVE

	31/1/05 £	31/1/04 £
Revaluation Reserve	<u>2,015</u>	<u>2,686</u>

16. RELATED PARTY DISCLOSURES

Freehold Premises at 481 Church Road, Thundersley, Essex are rented to the company by Mr D Wells at a rent of £12,000 per annum (2004 £12,000). There is no formal lease and the company is responsible for maintaining the premises and for all utility charges. There is no obligation in respect of future rents. The company's bankers have a charge over this property in support of facilities.

Personal guarantees totalling £255,000 (2004 £255,000) have been given by Mr D Wells to the company's bankers.

The director operates a current account which is disclosed in note 10 to the accounts.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/1/05 £	31/1/04 £
Profit for the financial year	1,131,664	1,011,482
Dividends	<u>(250,000)</u>	<u>(900,000)</u>
	881,664	111,482
Movements in Revaluation Reserve	<u>(671)</u>	<u>(896)</u>
Net addition to shareholders' funds	880,993	110,586
Opening shareholders' funds	<u>293,220</u>	<u>182,634</u>
Closing shareholders' funds	<u>1,174,213</u>	<u>293,220</u>
Equity interests	<u>1,174,213</u>	<u>293,220</u>

18. ULTIMATE CONTROLLING PARTY

Mr D and Mrs V Wells hold the entire issued share capital of the company.

CASTLE POINT GAS & HEATING CO. LIMITED

Trading and Profit and Loss Account
For The Year Ended 31 January 2005

	<u>31/1/05</u>		<u>31/1/04</u>	
	£	£	£	£
Income:				
Work done		7,813,464		6,823,210
Cost of sales:				
Opening stock	22,640		12,000	
Opening work in progress	178,747		52,500	
Purchases	3,024,364		2,607,538	
Wages and National Insurance	1,357,092		1,009,443	
Sub contract charges	1,373,603		1,256,004	
Site Clearance	13,515		12,613	
Professional Fees	27,111		11,090	
Bond Fees	2,075		4,106	
	<hr/>		<hr/>	
	5,999,147		4,965,294	
Closing stock	(27,500)		(22,640)	
Closing work in progress	(550,609)		(178,747)	
	<hr/>		<hr/>	
		5,421,038		4,763,907
GROSS PROFIT		<hr/>		<hr/>
(30.62% 2004 : 30.18%)		2,392,426		2,059,303
Other income:				
Bank Interest Received		73,462		16,752
		<hr/>		<hr/>
		2,465,888		2,076,055
Expenditure:				
Directors' remuneration	100,000		100,000	
Wages and National Insurance	60,025		54,008	
Pension Contributions	197,000		72,000	
Telephone & Communications	20,780		17,962	
Post, printing & stationery	4,648		6,169	
Motor and Travelling Expenses	130,707		113,517	
Computer software	2,659		198	
Hire of equipment	5,530		8,837	
Repairs & renewals	9,768		6,117	
General Expenses	34,213		28,727	
Auditors remuneration	8,750		5,000	
Accountancy	27,885		27,393	
Training inc Apprentice Wages	31,906		33,319	
Advertising	9,038		2,672	
Entertainment	4,407		4,098	
Bad debts (net of recoveries)	47,201		20,560	
Rent Rates & Water	32,994		31,627	
Insurance	40,092		36,615	
Light & heat	1,412		1,141	
	<hr/>		<hr/>	
		769,015		569,960
Carried forward		<hr/>		<hr/>
		1,696,873		1,506,095

This page does not form part of the statutory financial statements

CASTLE POINT GAS & HEATING CO. LIMITED

Trading and Profit and Loss Account
For The Year Ended 31 January 2005

	31/1/05		31/1/04	
	£	£	£	£
Brought forward		1,696,873		1,506,095
Finance costs:				
Bank interest	28		149	
Interest On Taxation	764		1,401	
Bank charges	4,282		2,367	
		5,074		3,917
		1,691,799		1,502,178
Depreciation:				
Plant & machinery	2,618		1,990	
Fixtures & fittings	2,843		1,591	
Motor vehicles	46,245		42,545	
Computer equipment	6,287		3,480	
		57,993		49,606
		1,633,806		1,452,572
Loss on disposal of fixed assets:				
Motor vehicles		4,190		1,253
NET PROFIT		<u><u>£1,629,616</u></u>		<u><u>£1,451,319</u></u>