

ELECO BUILDING PRODUCTS LIMITED

Registered Number: 02734227

FINANCIAL STATEMENTS

for the year ended 30 JUNE 2007

I N D E X

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THURSDAY



A33 "AQY0QZ5S" 132
24/04/2008
COMPANIES HOUSE

ELECO BUILDING PRODUCTS LIMITED**DIRECTORS' REPORT**

The Directors submit their report and accounts for the year ended 30 June 2007

RESULTS AND DIVIDEND

The loss for the financial year was £391,837 (2006 £271,158) The Directors do not recommend the payment of an ordinary dividend

REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Eleco plc and operates as part of the Eleco Group and has elected to take advantage of section 246(4) of the companies act 1985 regarding reporting of KPIs

The Company's principal activity during the year was an investment and holding company The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period In preparing those financial statements, the Directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DIRECTORS AND THEIR INTERESTS

The Directors, who served in the year, were as follows

D S Dannhauser
I A Barton

The interests of D S Dannhauser in the shares of the holding company and share options in Eleco plc are shown in the accounts of Eleco plc

The Company maintains Directors' and Officers' Liability insurance

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' Report are listed above Having made enquires to fellow Directors and of the Company's Auditors, each of the Directors confirms that to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's Auditors are unaware and each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's Auditors are aware of the information


AUDITORS

The auditors, Grant Thornton UK LLP, are automatically re-appointed by virtue of an elective resolution

BY ORDER OF THE BOARD

Eleco House
15 Gentlemen's Field
Westmill Road
Ware SG12 0EF

11th April 2008



I A Barton
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ELECO BUILDING PRODUCTS LIMITED

We have audited the Company's financial statements for the year ended 30 June 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of 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

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' Responsibilities.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in 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 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 the company's affairs as at 30 June 2007 and of its loss for the period 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.


Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Cambridge

22 April 2008.

ELECO BUILDING PRODUCTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30 JUNE

| | | <u>2007</u> | <u>2006</u> |
|---|--------------|-------------------------|-------------------------|
| | NOTES | £ | £ |
| Interest payable | 3 | (391,837) | (387,369) |
| Loss on ordinary activities before taxation | 4 | <u>(391,837)</u> | <u>(387,369)</u> |
| Tax on loss on ordinary activities | 5 | - | 116,211 |
| Loss on ordinary activities after taxation | | <u><u>(391,837)</u></u> | <u><u>(271,158)</u></u> |

All of the Company's operations are continuing

The Company has no recognised gains and losses other than those included in the losses above, and therefore no separate statement of total recognised gains and losses has been presented

The accompanying accounting policies and notes form part of these financial statements

ELECO BUILDING PRODUCTS LIMITED**BALANCE SHEET as at 30 JUNE****2007****2006**

| | <u>NOTES</u> | £ | £ |
|--|---------------------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Investments | | | |
| Shares in related companies | 6 | <u>5,583,124</u> | <u>5,583,124</u> |
| | | 5,583,124 | 5,583,124 |
| CURRENT ASSETS | | | |
| Debtors | 7 | <u>116,211</u> | <u>487,302</u> |
| | | 116,211 | 487,302 |
| CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR | 8 | <u>(6,346,365)</u> | <u>(6,325,619)</u> |
| NET CURRENT LIABILITIES | | (6,230,154) | (5,838,317) |
| NET LIABILITIES | | <u>£(647,030)</u> | <u>£(255,193)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 371,191 | 371,191 |
| Profit and loss account | | (1,018,221) | (626,384) |
| EQUITY SHAREHOLDERS' DEFICIT | 10 | <u>£(647,030)</u> | <u>£(255,193)</u> |

The accompanying accounting policies and notes form part of these financial statements

The financial statements on pages 3 to 7 were approved by the Board of Directors on 11th April 2008, and signed on its behalf by



I A BARTON - DIRECTOR

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

The financial statements have been prepared on the going concern basis. The company had net liabilities of £647,030 at 30 June 2007 and owed its parent undertaking £6,346,365 at that date. The parent undertaking has confirmed that it will continue to provide financial support to the company for the foreseeable future to enable the company to pay its financial liabilities as they fall due and will not require the £6,346,365 to be repaid for at least twelve months from the date of signing of the financial statements.

Changes in accounting policies:

The accounting policies are the same as the previous years.

Basis of accounting

The accounts are prepared under the historical cost convention. The financial statements are prepared on a going concern basis as the parent company have confirmed that it will provide financial support to enable the Company to meet its financial obligations as they fall due. The Company's audit fees are recognised by its parent company, Eleco plc.

Tangible fixed assets:

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Investments

Fixed asset investments are shown at cost, together with any incidental costs of acquisition, less any provision for impairment.

Cash flow:

The Company is a wholly owned subsidiary of Eleco plc and the cash flows of the Company are included in the consolidated group cash flow statement of Eleco plc. Consequently the Company is exempt from the requirement to publish a cash flow statement.

Group financial statements:

The financial statements refer only to the company as a single undertaking and are not consolidated. The company is exempt from publishing group financial statements as it is the subsidiary of an undertaking established under the laws of an EC member and is included in the consolidated statements of that undertaking.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date will result in an obligation to pay more tax or a right to pay less tax or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ELECO BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued) for the year ended 30 June 2007

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2 EMPLOYEES

The Company has no employees (2006 Nil)

3 INTEREST PAYABLE

| | 2007 | 2006 |
|-------------------------------|---------|---------|
| | £ | £ |
| Payable to Group undertakings | 391,837 | 387,369 |

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging (or crediting) -
Fees payable to the Company's auditor for the audit of the financial statements is borne by Eleco plc

| | 2007 | 2006 |
|--|------|------|
| | £ | £ |
| | - | - |

5 TAX ON LOSS ON ORDINARY ACTIVITIES

a) Tax on profit on ordinary activities

| | 2007 | 2006 |
|---|------|-----------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax on profits of the year | - | (116,211) |
| Total current tax | - | (116,211) |
| Deferred tax. | | |
| Total deferred tax | - | - |
| Tax on profit on ordinary activities | - | (116,211) |

b) Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

| | 2007 | 2006 |
|--|-----------|-----------|
| | £ | £ |
| Profit on ordinary activities before tax | (391,837) | (387,369) |
| Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2006 30%) | (117,551) | (116,211) |
| Effects of | | |
| Losses surrendered not paid | 117,551 | |
| Current tax charge for the year | - | (116,211) |

c) Factors that may affect future tax charges

Future tax charges may be affected by a similar range of factors to those listed above

6 SHARES IN RELATED COMPANIES

| | 2007 | 2006 |
|--|-----------|-----------|
| | £ | £ |
| Investments in subsidiary undertakings | | |
| Consultec Group AB (100%) | 4,532,926 | 4,532,926 |
| Eleco Software Limited (100%) | 600,305 | 600,305 |
| Eleco Media Limited (100%) | 180,453 | 180,453 |
| Eleco Software GmbH (100%) | 269,439 | 269,439 |
| Online Warehouse Limited (100%) | 1 | 1 |
| | 5,583,124 | 5,583,124 |

The impact of equity accounting is not disclosed as this information is included within the consolidated results of Eleco plc

ELECO BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued) for the year ended 30 June 2007

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| 7 DEBTORS | 2007 | 2006 |
|---|------------------|------------------|
| Due within one year | £ | £ |
| Amounts owed by group undertakings | - | 371,091 |
| Corporation tax | 116,211 | 116,211 |
| | <u>116,211</u> | <u>487,302</u> |
| 8 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR | 2007 | 2006 |
| | £ | £ |
| Amount owed to parent undertaking | 6,346,365 | 6,325,619 |
| | <u>6,346,365</u> | <u>6,325,619</u> |
| 9 CALLED UP SHARE CAPITAL | 2007 | 2006 |
| | £ | £ |
| Authorised | | |
| 1,000,000 ordinary shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, called up and fully paid | | |
| 371,191 ordinary shares of £1 each | <u>371,191</u> | <u>371,191</u> |
| 10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY | 2007 | 2006 |
| | £ | £ |
| Loss on ordinary activities after taxation | (391,837) | (271,158) |
| Dividend | - | - |
| Net increase in shareholders' deficit | <u>(391,837)</u> | <u>(271,158)</u> |
| Opening shareholders' (deficit) / equity | (255,193) | 15,965 |
| Net increase in shareholders' deficit | <u>(391,837)</u> | <u>(271,158)</u> |
| Closing shareholders' deficit | <u>(647,030)</u> | <u>(255,193)</u> |

11 ULTIMATE PARENT COMPANY

The Directors regard Eleco plc, a company registered in England and Wales, as the ultimate controlling parent undertaking. Copies of the ultimate controlling parent's consolidated financial statements may be obtained from the Company Secretary, Eleco plc, Eleco House, 15 Gentlemen's Field, Westmill Road, Ware SG12 0EF. According to the Register of Members kept by the Company, Eleco plc has a 100% interest in the equity capital of the Company at 30 June 2007.

12 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of Eleco plc or subsidiaries.