

Bell Projects Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2007

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COMPANIES HOUSE

Company Registration No 00404151

Bell Projects Limited

DIRECTORS AND OFFICERS

DIRECTORS

S Stefanou
I Carr
R N Johnson
C Brooks

SECRETARY

S G Harvey

COMPANY NUMBER

00404151 (England and Wales)

REGISTERED OFFICE

John Doyle House
Little Burrow
Welwyn Garden City
Herts
AL7 4SP

AUDITORS

Baker Tilly UK Audit LLP
1st Floor
46 Clarendon Road
Watford
Hertfordshire
WD17 1JJ

Bell Projects Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Bell Projects Limited for the year ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of building contractors

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The transformation of the business into a substantial builder / developer consumed much effort in the year. The appointment of a new senior management team and the establishment of business procedures was achieved successfully providing the framework for future growth.

Despite a low level of carry forward order book a re-invigorated approach to client relations and bid submission resulted in a 50% increase in turnover compared to 2006, largely as a result of work undertaken in the second half of the year. The resultant turnover of £13m allowed the business to break even.

Importantly the new management team carried forward an order book of almost £30m into 2008 providing the critical mass required to create an operating platform for the future.

Financial Instruments

The Group has an loan and overdraft facility with Bank of Scotland plc. A mortgage debenture exists giving the bank a fixed and floating charge over the assets of the Group as security for the overdraft and loan facilities provided to the Group. These facilities are reviewed annually alongside the business plans and budgets for the forthcoming year.

The Group does not enter into any other financial instruments bar normal short-term creditors and debtors on normal commercial terms.

Environment

The company complies with relevant environmental legislation, industry codes of practice, the John Doyle Group Environmental Policy and any other applicable requirements. Construction methods are selected which minimise the use of natural resources associated with the use of energy and materials. Where appropriate, we will investigate and promote the use of by-products, recyclable and sustainable materials. We seek to minimise waste production and avoid contamination from any waste produced by ensuring that disposal is safely handled by licensed operators.

Principal risks

The market sector in which Bell Projects Limited operates is generally buoyant, therefore the targets that have been set for the forthcoming financial year are likely to be achieved.

Contract risk is reviewed on a project by project basis by senior management on a risk averse basis relative to the sector.

Contract debtors are managed on an ongoing basis via a regular review of individual contracts to ensure that our full entitlement is recognised and monitored through to crystallisation of the debt.

Trade creditors are managed closely and are paid as far as possible within the credit terms agreed.

Key performance indicators

The company undertakes a comprehensive budgeting process and sets both company and profit centre targets with an objective of continuous organic growth in PBT.

Bell Projects Limited

DIRECTORS' REPORT (CONTINUED)

RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £54,995

The directors do not recommend payment of an ordinary dividend (2006 £Nil)

DIRECTORS

The following directors have held office since 1 January 2007

S Stefanou

I Carr

R N Johnson

C Brooks

(Appointed 17 April 2007)

CHARITABLE DONATIONS

2007

2006

£

£

During the year the company made the following payments

Charitable donations

1,449

505

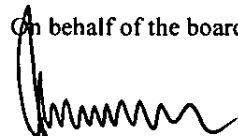
AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants will be put to the members at the annual general meeting

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



I Carr

Director

19 June 2008

Bell Projects Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 and loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELL PROJECTS LIMITED

We have audited the financial statements on pages 6 to 16

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 the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 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

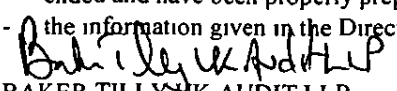
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 at 31 December 2007 and of its loss for the year then ended and 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.


BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Hertfordshire
WD17 1JJ

27 June 2008

Bell Projects Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	<i>Notes</i>	2007 £	2006 £
TURNOVER	1	12,661,769	9,741,324
Cost of sales		11,125,549	10,076,936
Gross profit/(loss)		1,536,220	(335,612)
Other operating expenses	2	1,556,502	1,319,497
OPERATING LOSS		(20,282)	(1,655,109)
Investment income	3	2,535	1,031
		(17,747)	(1,654,078)
Interest payable	4	38,800	153,873
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(56,547)	(1,807,951)
Taxation	7	(1,552)	(529,764)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	13	(54,995)	(1,278,187)

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Bell Projects Limited

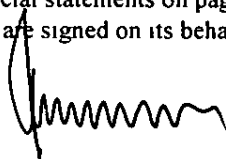
BALANCE SHEET

31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	8	40,921	35,248
CURRENT ASSETS			
Debtors	9	4,755,060	6,382,919
		4,755,060	6,382,919
CREDITORS Amounts falling due within one year	10	4,080,555	6,724,002
NET CURRENT ASSETS/(LIABILITIES)		674,505	(341,083)
TOTAL ASSETS LESS CURRENT LIABILITIES		715,426	(305,835)
CREDITORS Amounts falling due after more than one year	11	(175,039)	(98,783)
		540,387	(404,618)
CAPITAL AND RESERVES			
Called up share capital	12	1,512,000	512,000
Profit and loss account	13	(971,613)	(916,618)
SHAREHOLDERS' FUNDS	14	540,387	(404,618)

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 19 June 2008 and are signed on its behalf by

I Carr



Director

Bell Projects Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Fixtures, fittings & equipment	25% on reducing balance
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LONG TERM CONTRACTS

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account

BASIS OF ACCOUNTING FOR PROFIT ON DEVELOPMENT

Profit is taken on the sale of residential and commercial units upon final completion of the sales contract. At this time the costs charged against the sale comprise the attributable proportion of expenditure on land acquisition, construction and other development costs

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are provided to the extent that, in the opinion of the directors, there is a reasonable probability that the asset will crystallise in the foreseeable future

LEASED ASSETS

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year

TURNOVER

Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for the profit earned to date when the outcome of the contract can be assessed with reasonable certainty

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity wholly undertaken in the United Kingdom

2	OTHER OPERATING EXPENSES	2007 £	2006 £
	Administrative expenses	1,556,502	1,319,759
	Other operating income	-	(262)
		<u>1,556,502</u>	<u>1,319,497</u>
3	INVESTMENT INCOME	2007 £	2006 £
	Bank interest	<u>2,535</u>	<u>1,031</u>
4	INTEREST PAYABLE	2007 £	2006 £
	On bank loans and overdrafts	28,657	153,873
	Other interest	<u>10,143</u>	<u>-</u>
		<u>38,800</u>	<u>153,873</u>
5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
	Loss on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation of tangible assets		
	Charge for the year		
	owned assets	11,427	-
	Operating lease rentals		
	Plant and machinery	41,900	-
	Land and buildings	36,029	36,029
	Auditors' remuneration	13,525	12,875
	Remuneration of auditors for non-audit work	<u>2,000</u>	<u>-</u>

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2007

6 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was	2007 No	2006 No
Administration	12	5
Supervisory	11	10
Site workers	4	-
Directors	1	1
	<u>28</u>	<u>16</u>

	£	£
Staff costs for the above persons		
Wages and salaries	1,443,754	908,146
Social security costs	166,084	96,260
Other pension costs	32,685	123,206
	<u>1,642,523</u>	<u>1,127,612</u>

DIRECTORS' REMUNERATION	2007 £	2006 £
Emoluments for qualifying services	92,481	29,353
Company pension contributions to money purchase schemes	3,437	1,213
Compensation for loss of office	-	150,000
	<u>95,918</u>	<u>180,566</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006- 1)

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2007

7 TAXATION	2007 £	2006 £
Domestic current year tax		
Adjustment for prior years	-	(3,315)
Receipt in respect of group relief	(64,543)	(461,834)
	<u>(64,543)</u>	<u>(461,834)</u>
Current tax charge	(64,543)	(465,149)
Deferred tax		
Deferred tax charge/credit current year	62,991	(64,615)
	<u>(1,552)</u>	<u>(529,764)</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(56,547)</u>	<u>(1,807,951)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 30.00% (2006: 30.00%)	<u>(16,964)</u>	<u>(542,385)</u>
Effects of		
Non deductible expenses	15,392	4,388
Capital allowances in excess of depreciation	(880)	2,485
Tax losses carried forward	-	61,229
Adjustments to previous periods	-	(3,315)
Tax losses utilised	(62,290)	-
Other tax adjustments	199	12,449
	<u>(47,579)</u>	<u>77,236</u>
Current tax charge	<u>(64,543)</u>	<u>(465,149)</u>

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2007

8 TANGIBLE FIXED ASSETS

	<i>Fixtures, fittings & equipment £</i>
Cost	
1 January 2007	150,585
Additions	17,100
	<hr/>
31 December 2007	167,685
	<hr/>
Depreciation	
1 January 2007	115,337
Charge in the year	11,427
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31 December 2007	126,764
	<hr/>
Net book value	
31 December 2007	40,921
	<hr/>
31 December 2006	35,248
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Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2007

9 DEBTORS	2007 £	2006 £
Trade debtors	1,118,345	633,625
Amounts recoverable on long term contracts	3,031,891	4,372,659
Amounts owed by parent and fellow subsidiary undertakings	486,931	1,278,253
Other debtors	98,020	12,283
Prepayments and accrued income	18,249	21,484
Deferred tax asset	1,624	64,615
	<u>4,755,060</u>	<u>6,382,919</u>
Amounts falling due after more than one year and included in the debtors above are		
	2007 £	2006 £
Trade debtors	<u>220,949</u>	<u>119,962</u>
Deferred tax		
	2007 £	
Balance at 1 January 2007	64,615	
Profit and loss account	(62,991)	
Balance at 31 December 2007	<u>1,624</u>	
	2007 £	2006 £
Accelerated capital allowances	646	1,526
Other timing differences	978	1,859
Tax losses available	-	61,230
	<u>1,624</u>	<u>64,615</u>

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2007

10 CREDITORS Amounts falling due within one year	2007 £	2006 £
Bank overdraft	470,089	1,129,950
Trade creditors	2,964,335	3,167,074
Amounts owed to group undertakings	201,814	311,637
Corporation tax	-	42,341
Other taxes and social security costs	80,959	37,421
Directors' current accounts	-	1,845,000
Other creditors	20,195	49,051
Accruals and deferred income	343,163	141,528
	<u>4,080,555</u>	<u>6,724,002</u>

11 CREDITORS Amounts falling due in more than one year	2007 £	2006 £
Long term trade creditors	<u>175,039</u>	<u>98,783</u>

12 SHARE CAPITAL	2007 £	2006 £
Authorised 2,000,000 Ordinary of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, issued and fully paid 1,512,000 Ordinary of £1 each	<u>1,512,000</u>	<u>512,000</u>

13 STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
1 January 2007	(916,618)
Retained loss for the year	<u>(54,995)</u>
31 December 2007	<u>(971,613)</u>

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2007

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007 £	2006 £
Loss for the financial year	(54,995)	(1,278,187)
Proceeds from issue of shares	1,000,000	-
Net addition to/(depletion in) shareholders' funds	945,005	(1,278,187)
Opening shareholders' funds	(404,618)	873,569
Closing shareholders' funds	540,387	(404,618)

15 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Land and buildings expiring in the first year	41,000	41,000
Plant and machinery expiring in the first year	9,108	11,672
expiring in the second to fifth year	29,376	22,215
	79,484	74,887

16 CONTINGENT LIABILITIES

The company has a cross guarantee arrangement with its principal bankers. At the balance sheet date a contingent liability of £245,729 (2006 £Nil) existed under this arrangement. There is a contingent liability under the group VAT registration of £69,031 (2006 £1,257,200).

17 PENSION COMMITMENTS

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	32,685	123,206

18 CONTROL

The immediate parent company is John Doyle Holdings Limited, a company incorporated in England and Wales. The ultimate parent company is John Doyle Group plc, a company incorporated in England and Wales. There is no ultimate controlling party.

A copy of the consolidated financial statements can be obtained from John Doyle House, Little Burrow, Welwyn Garden City, Herts, AL7 4SP.

Bell Projects Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2007

19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties