Company Registration No 513427

(6)

A S NICHOLLS LIMITED

Report and Financial Statements

30 September 2007

A S NICHOLLS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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A S NICHOLLS LIMITED

Officers and Advisers

DIRECTORS

Simon Beart
William Good

SECRETARY

William Good

REGISTERED OFFICE

Ground Floor
Barons Court
Manchester Road
Wilmslow
SK9 1BQ

AUDITORS

Deloitte & Touche LLP
Nottingham

BANKERS

Bank of Scotland
8th Floor
40 Spring Gardens
Manchester
M2 1EN

DIRECTORS' REPORT

The dırectors present theır report and the audıted financıal statements for the year ended 30 September 2007

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The prıncıpal actıvıty of the company ıs that of supplyıng, ınstallıng and maıntaınıng heatıng and aır condıtıonıng systems

Turnover has ıncreased by 17 7% over the year whıch together wıth a decrease ın the cost of sales has lead to a 658% ıncrease ın profit before tax

RESULTS AND DIVIDENDS

The results for the company are set out ın the financıal statements

The dırectors recommend no dıvıdend for the year

DIRECTORS AND THEIR INTERESTS

The dırector who held office durıng the year was as follows

- P Worthıngton (resıgned 21/11/2007)

The dırector dıd not have an ınterest ın the shares of the company at any tıme durıng the year

P Worthıngton has an ınterest ın 500,000 shares of 1p ın the company's parent, Worthıngton Nıcholls Group plc

On 21 November 2007 Sımon Beart and Wıllıam Good were appoınted to the board of dırectors

SUPPLIER PAYMENT POLICY

It ıs the company polıcy to settle debts wıth ıts credıtors on a tımely basıs, takıng ınto consıderatıon the terms and condıtıons offered by each supplıer At 30 September 2007, the number of credıtor days outstandıng for the company was 26 days (2006 44 days)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's actıvıtıes expose ıt to a number of financıal rısks ıncludıng credıt rısk, ınterest rate and lıquıdıty rısk It ıs, and has been throughout the perıod under revıew, the company's polıcy that no speculatıve tradıng ın financıal ınstruments shall be undertaken

Credıt rısk

The company's prıncıpal financıal assets are bank balances and cash, and trade and other receıvables

The company's credıt rısk on lıquıd funds ıs lımıted because the counterpartıes are banks wıth hıgh credıt-ratıngs assıgned by ınternatıonal credıt-ratıng agencıes

The company has no sıgnıficant concentratıon of credıt rısk, wıth exposure spread over a large number of customers

Lıquıdıty rısk

In order to maıntaın lıquıdıty to ensure that suffıcıent funds are avaılable for on-goıng operatıons and future developments, the company uses a mıxture of long-term and short-term debt finance

A S NICHOLLS LIMITED

DIRECTORS' REPORT

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZAof the companies Act 1985

Deloitte & Touche LLP were appointed auditors on 4 December 2007 Deloitte & Touche LLP have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting

HWCA Limited resigned as auditors on 4 December 2007

Approved by the Board of Directors
and signed on behalf of the Board

Director

Statement of Directors' Responsibilities

The dırectors are responsıble for preparıng the Annual Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have elected to prepare the financıal statements ın accordance wıth Unıted Kıngdom Generally Accepted Accountıng Practıce (Unıted Kıngdom Accountıng Standards and applıcable law) The financıal statements are requıred by law to gıve a true and faır vıew of the state of affaırs of the company and of the profit or loss of the company for that perıod In preparıng these financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make ȷudgments and estımates that are reasonable and prudent,
- state whether applıcable UK Accountıng Standards have been followed, subȷect to any materıal departures dısclosed and explaıned ın the financıal statements, and
- prepare the financıal statements on the goıng concern basıs unless ıt ıs ınapproprıate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng proper accountıng records that dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that the financıal statements comply wıth the Companıes Act 1985 They are also responsıble for safeguardıng the assets of the company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A S NICHOLLS LIMITED

We have audited the financial statements of A S Nicholls Limited for the year ended 30 September 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16 These financial statements have been prepared in accordance with 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 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 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 United Kingdom 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 an 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 September 2007 and of the company's 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

Deloitte + Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Nottingham, United Kingdom

7 May 2008

A S NICHOLLS LIMITED

Profit and Loss Account for the Year Ended 30 September 2007

	Note	2007 £'000	2006 £'000
TURNOVER		1,446	1,228
Cost of sales		(769)	(848)
Gross profit		677	380
Administrative expenses		(479)	(347)
OPERATING PROFIT	2	198	33
Interest receivable and similar income		1	2
Interest payable and similar charges	4	(2)	(9)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		197	26
Tax on profit on ordinary activities	5	-	(5)
PROFIT FOR THE FINANCIAL PERIOD	11,12	197	21

All results relate to continuing activities

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis for the period

There are no recognised gains or losses other than the loss for the period Accordingly no statement of total recognised gains and losses is presented

A S NICHOLLS LIMITED

Balance sheet as at 30 September 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Tangible assets	6	43	3
CURRENT ASSETS			
Stocks	7	-	16
Debtors	8	667	318
Cash at bank and in hand		11	300
		678	634
CREDITORS: amounts falling due within one year	9	(230)	(343)
NET CURRENT ASSETS		448	291
NET ASSETS		491	294
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Capital redemption reserve	11	1	1
Profit and loss reserve	11	489	292
SHAREHOLDERS' FUNDS	12	491	294

These financial statements were approved by the Board of Directors on 16 April 2008

Signed on behalf of the Board of Directors

Simon Beart

Director

Notes to the Financial Statements for the Year Ended 30 September 2007

1. ACCOUNTING POLICIES

Basis of preparation

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

Turnover

Turnover is measured at the fair value of consideration received or receivable, excluding value added tax, for goods and services supplied to external customers

Turnover is recognised in the profit and loss account upon agreement with the customer as to the stage of completion of the contract If there is no agreement with the customer the turnover will not be recognised

For contracts that have a retention involved, that element of the revenue will not be recognised until there has been a full completion of the contract and the retention time has passed For the period between the retention being generated and being invoiced there is a debtor and a matching creditor created in the accounts

All turnover relates to customers in the United Kingdom

Cash flow statements

As permitted by Financial Reporting Standard No 1 (Revised), 'Cash flow statements', the company has not included a cash flow statement as part of its financial statements as a consolidated cash flow is presented in its parent company financial statements

Tangible fixed assets

Fixed assets are stated at cost net of depreciation and provision for impairment Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Fixtures and fittings	20% on cost
Plant and machinery	25% on cost
Motor vehicles	25% on cost
Leasehold properties	4% on cost

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss accounts over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

Pensions

The Company operates a defined contribution pension scheme Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Notes to the Financial Statements for the Year Ended 30 September 2007

1. ACCOUNTING POLICIES

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 group'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

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks Net realisable value is based on selling price less anticipated costs to completion and selling costs

The Company undertakes no long term contracts Work in progress is valued at the lower of cost and net realisable value where the outcome of the contract can be reliably estimated and a gross profit expected Work in progress is accrued to the level of the costs that have gone into the contract that have not yet been accounted for in an invoice to the customer

2 OPERATING PROFIT

	2007 £'000	2006 £'000
Operating profit is after charging:		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	5	5
Depreciation of owned tangible fixed assets	6	-
Depreciation of leased tangible fixed assets	7	8
Operating lease rentals		
Other	39	14
Plant and machinery	8	11

Notes to the Financial Statements for the Year Ended 30 September 2007

3. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2007	2006
	No	No
Administration	6	3
Engineering	10	10
	16	13

The aggregate payroll costs of these persons were as follows

	2007	2006
	£'000	£'000
Wages and salaries	522	392
Social security	57	9
Other pension costs	2	3
	581	404

Directors' emoluments were met by another group company in both the current and prior year

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£'000	£'000
Bank interest payable	-	1
Loan interest	-	7
Hire purchase interest	2	1
	2	9

Notes to the Financial Statements for the Year Ended 30 September 2007

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the period:

	2007 £'000	2006 £'000
Current taxation		
United Kingdom charge (note 5b)	-	5

b) Factors affecting current tax charge in the period:

In March 2007, the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008 This legislation was substantively enacted on 26 June 2007 As such the effective tax rate for the year to 31 March 2009 is expected to reduce accordingly

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 30% The actual tax charge for the current year differs from the standard rate for the reasons set out in the following reconciliation

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	197	26
Profit on ordinary activities multiplied by the standard rate of corporation tax	59	5
Effects of:		
Expenses not deductible for tax purposes	3	5
Timing differences between capital allowances and depreciation	-	1
Utilisation of group relief	(62)	(5)
Current tax based on profit for the year (note 5a)	-	6

There is no provided or unprovided deferred tax

Notes to the Financial Statements for the Year Ended 30 September 2007

6. TANGIBLE FIXED ASSETS

	Leasehold properties £'000	Plant and machinery £'000	Fixture and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 October 2006	-	37	9	21	67
Additions	4	15	25	9	53
Disposals	-	-	(9)	-	(9)
At 30 September 2007	4	52	25	30	111
Depreciation					
At 1 October 2006	-	34	9	21	64
Charge for the year	1	3	2	7	13
Disposal	-	-	(9)	-	(9)
At 30 September 2007	1	37	2	28	68
Net book value					
At 30 September 2007	3	15	23	2	43
At 30 September 2006	-	3	-	-	3

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £2,031 (2006 £nil) in respect of assets held under finance leases and similar hire purchase contracts Depreciation for the period on these assets was £6,832 (2006 £nil)

7. STOCKS AND WORK IN PROGRESS

	2007 £'000	2006 £'000
Stocks and work in progress	-	16

The difference between purchase price or production cost of stocks and their replacement cost is not material

8 DEBTORS

	2007 £'000	2006 £'000
Trade debtors	268	264
Amounts owed by group undertakings	333	-
Corporation tax debtor	18	-
Prepayments and accrued income	48	54
	667	318

Notes to the Financial Statements for the Year Ended 30 September 2007

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Trade creditors	62	57
Amounts owed to group undertakings	28	-
Corporation tax	-	6
Social security and other taxes	75	131
Other creditors	2	132
Accruals and deferred income	63	17
	230	343

10 CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised		
1000 ordinary shares of £1 each	1	1
Called up, allotted and fully paid		
500 ordinary shares of £1 each	1	1

Notes to the Financial Statements for the Year Ended 30 September 2007

11. RESERVES

	Capital redemption reserve £'000	Profit and loss reserve £'000	Total £'000
Balance at 1 October 2006	1	292	293
Profit for the period	-	197	197
Balance at 30 September 2007	1	489	490

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Profit for the period	197	21
Net addition to shareholders' funds	197	21
Opening shareholders' funds	294	273
Closing shareholders' funds	491	294

13 OPERATING LEASE COMMITMENTS

At 30 September 2007, the company had annual commitments under non-cancellable operating leases as follows

	Other 2007 £'000	Other 2006 £'000	Plant and machinery 2007 £'000	Plant and machinery 2006 £'000
Within one year	-	-	24	15
Between two and five years	-	-	36	-
Over five years	74	14	-	-
	74	14	60	15

Notes to the Financial Statements for the Year Ended 30 September 2007

14. POST BALANCE SHEET EVENTS

Post year end the dırectors changed the financıal penod of the company, the next financıal penod ıs the sıx months ended 31 March 2008

15. PENSION SCHEMES

Defined contnbutıon pension scheme

The company operates a defined contnbutıon pensıon scheme The pensıon cost charge for year represents contnbutıons payable by the group to the scheme and amounted to £2,264 (2006 £2,937)

There were no outstandıng or prepaıd contnbutıons at the end of the financıal year

16. RELATED PARTY TRANSACTIONS

Controllıng entity

The company ıs a wholly owned subsıdıary of Worthıngton Nıcholls Group plc, a company ıncorporated ın England and Wales

Worthıngton Nıcholls Group Plc ıs the sole parent company of the group of whıch the company ıs a member and for whıch group accounts are drawn up Copıes of the group accounts are avaılable from Barons Court, Manchester Road, Wılmslow, Cheshıre, SK9 1BQ Post year end the parent company changed ıts name to Managed Support Servıces plc

Related party transactions

As a subsıdıary undertakıng of Worthıngton Nıcholls Group plc, the company has taken advantage of the exemptıon ın FRS 8 "Related Party Dısclosures" from dısclosıng transactıons wıth other members of the group headed by Worthıngton Nıcholls Group Plc

At the end of the year the company was owed £nıl (2006 - £39,366) from RFE Fılters Lımıted, a company ın whıch P Worthıngton ıs a dırector