

**Insu-Build Direct Limited**  
**Annual Report**  
**for the year ended 31 May 2006**

**Registered Number 03292146**



Insu-Build Direct Limited  
Annual Report  
for the year ended 31 May 2006  
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# **Insu-Build Direct Limited**

## **Directors and Advisors**

### **Director**

W J H Cox

B L Robertshaw

### **Secretary and registered office**

C F Judd

Galax Building

Fitzwilliam Road

Rotherham

South Yorkshire

S65 1SN

### **Independent auditors**

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

### **Solicitors**

Blackett, Hart and Pratt

Eldon Chambers

23 The Quayside

Newcastle upon Tyne

NE1 3DE

### **Bankers**

HSBC Bank plc

City Branch

110 Grey Street

Newcastle upon Tyne

NE1 6JG

# **Insu-Build Direct Limited**

## **Directors' report for the year ended 31 May 2006**

The directors present their report and the audited financial statements of the company for the year ended 31 May 2006

### **Principal activities**

The principal activity of the company is the provision of energy efficiency services including the installation of insulation materials

### **Results and dividends**

The company made a profit after taxation of £11,977 in the year ended 31 May 2006 (2005 loss of £1,454)  
There was no dividend recommended in the year (2005 £Nil)

### **Directors**

The details of directors who served during the year are set out on page 1. None of the directors had any disclosable interests in the shares of the company

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 May 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

### **Auditors and disclosure of information to auditors**

In so far as the directors are aware:

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

# Insu-Build Direct Limited

## Small company provisions

This report has been prepared in accordance with special provisions for small companies under Part VII of the Companies Act 1985

By order of the Board

C F Judd  
Secretary



23/3/07

Date

# **Insu-Build Direct Limited**

## **Independent auditors' report to the shareholders of Insu-Build Direct Limited**

We have audited the financial statements of Insu-Build Direct Limited for the year ended 31 May 2006, which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the Statements 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 not consistent with the financial statements, 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 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.

# Insu-Build Direct Limited

## 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 May 2006 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

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

Date

13 MARCH 2007

# Insu-Build Direct Limited

## Profit and loss account for the year ended 31 May 2006

	Note	Year ended 31 May 2006 £	10 months ended 31 May 2005 £
<b>Turnover</b>		<b>2,149,679</b>	<b>1,381,696</b>
Cost of sales		(1,685,409)	(1,088,792)
<b>Gross profit</b>		<b>464,270</b>	<b>292,904</b>
Administrative expenses		(440,943)	(287,524)
<b>Operating profit</b>	1	<b>23,327</b>	<b>5,380</b>
Interest payable and similar charges	4	(5,661)	(4,284)
<b>Profit on ordinary activities before taxation</b>		<b>17,666</b>	<b>1,096</b>
Tax on profit on ordinary activities	5	(5,689)	(2,550)
<b>Profit/(loss) for the financial period</b>	14	<b>11,977</b>	<b>(1,454)</b>

All of the above amounts related to continuing operations

There were no recognised gains or losses for the period other than those included in the profit and loss account

There are no material differences between the profit on ordinary activities before taxation and profit /(loss) for the financial period stated above and their historical cost equivalents

The accompanying notes form an integral part of these accounts



# Insu-Build Direct Limited

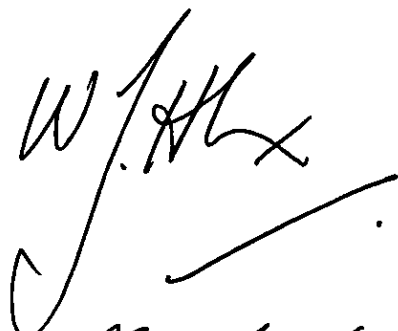
## Balance sheet as at 31 May 2006

	Note	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	6	156,976	129,851
<b>Current assets</b>			
Stocks	7	67,738	32,394
Debtors	8	522,069	417,265
Cash at bank and in hand		504	504
		590,311	450,163
<b>Creditors: amounts falling due within one year</b>	9	(747,520)	(558,035)
<b>Net current liabilities</b>		(157,209)	(107,872)
<b>Total assets less current liabilities</b>		(233)	21,979
<b>Creditors: amounts falling due after more than one year</b>	10	(24,555)	(59,524)
<b>Provisions for liabilities and charges</b>	12	(10,040)	(9,260)
<b>Net liabilities</b>		(34,828)	(46,805)
<b>Capital and reserves</b>			
Called up share capital	13	1,111	1,111
Profit and loss account	14	(35,939)	(47,916)
<b>Total equity shareholders' deficit</b>	15	(34,828)	(46,805)

The financial statements on pages 6 to 16 were approved by the Board of directors and were signed on its behalf by

W J H Cox  
Director

Date



23rd March 2007

# **Insu-Build Direct Limited**

## **Statement of accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and with the requirements of the Companies Act 1985. A summary of the accounting policies, which have been applied consistently, is set out below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and on the going concern basis.

### **Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost, including incidental expenses incurred on acquisition, less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Motor vehicles	20% reducing balance
Plant and machinery	20-50% straight line

### **Leased assets**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Assets acquired under finance leases and hire purchase agreements are capitalised, with the corresponding obligation to the lessor shown as a liability. The finance charges within the lease payments are accounted for in the year in which they arise.

### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

### **Deferred taxation**

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax is not provided on timing differences arising from revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# **Insu-Build Direct Limited**

## **Cash flow statement**

The company has taken advantage of the exemption allowed under Financial Reporting Standard 1 'Cash flow statements (revised 1996)' due to the fact that its cashflows are included in the consolidated financial statements of its ultimate parent company, which are publicly available. Accordingly no cash flow statement has been prepared.

## **Pensions**

The company operates a defined contribution pension scheme. The company's contributions to the scheme, which are based on employee earnings, are recognised in the year in which the related payroll costs are incurred.

# **Insu-Build Direct Limited**

## **Notes to the financial statements for the year ended 31 May 2006**

### **1 Operating profit**

The operating profit is stated after charging

	<b>Year ended 31 May 2006</b>	<b>10 months ended 31 May 2005</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets		
Owned by the company	<b>10,524</b>	<b>5,282</b>
Held under finance lease or hire purchase contracts	<b>22,754</b>	<b>20,155</b>
Audit fees	<b>5,100</b>	<b>5,202</b>
Operating lease rentals		
Plant and machinery	<b>49,737</b>	<b>-</b>
Land and buildings	<b>49,268</b>	<b>-</b>

### **2 Directors' emoluments and benefits**

	<b>Year ended 31 May 2006</b>	<b>10 months ended 31 May 2005</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>80,305</b>	<b>54,011</b>

### **3 Staff costs**

Staff costs, including directors' emoluments, were as follows

	<b>Year ended 31 May 2006</b>	<b>10 months ended 31 May 2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>678,183</b>	<b>442,792</b>
Social security costs	<b>67,347</b>	<b>41,909</b>
Other pension costs	<b>5,361</b>	<b>3,488</b>
	<b>750,891</b>	<b>488,189</b>

# Insu-Build Direct Limited

## 3 Staff costs (continued)

The average monthly number of employees, including executive directors, during the period was

	Year ended 31 May 2006	10 months ended 31 May 2005
	Number	Number
Staff (including directors)	9	6
Production	18	17
	27	23

## 4 Interest payable and similar charges

	Year ended 31 May 2006	10 months ended 31 May 2005
	£	£
Bank loans and overdrafts	58	-
Finance charges under finance lease and hire purchase contracts	5,603	4,284
	5,661	4,284

## 5 Tax on profit on ordinary activities

### (a) Analysis of charge in period

	Note	Year ended 31 May 2006	10 months ended 31 May 2005
		£	£
<b>Current tax</b>			
Current tax on income for the period		4,291	-
Adjustments in respect of prior periods		618	-
<b>Total current tax</b>		4,909	-
<b>Deferred tax</b>			
Changes in deferred tax balances arising from			
Origination or reversal of timing differences	12	780	2,550
<b>Total deferred tax</b>		780	2,550
<b>Tax on profit on ordinary activities</b>		5,689	2,550

# Insu-Build Direct Limited

## 5 Tax on profit on ordinary activities (continued)

### (b) Factors affecting the tax charge for the period

The tax assessed for the year is lower (10 months ended 31 May 2005 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	Year ended 31 May 2006	10 months ended 31 May 2005
	£	£
<b>Profit on ordinary activities before taxation</b>	<b>17,666</b>	<b>1,096</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	<b>5,300</b>	329
Effects of		
Expenses not deductible for tax purposes	<b>1,401</b>	2,223
Capital allowances in excess of depreciation	<b>(2,410)</b>	(2,552)
Adjustments to tax charges in respect of prior periods	<b>618</b>	-
<b>Current tax charge for the period</b>	<b>4,909</b>	-

### (c) Factors that may affect future tax charges

There are no factors that are expected to materially affect future tax charges

# Insu-Build Direct Limited

## 6 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 June 2005	11,536	171,414	182,950
Additions	-	60,403	60,403
<b>At 31 May 2006</b>	<b>11,536</b>	<b>231,817</b>	<b>243,353</b>
<b>Depreciation</b>			
At 1 June 2005	2,952	50,147	53,099
Charge for the period	2,351	30,927	33,278
<b>At 31 May 2006</b>	<b>5,303</b>	<b>81,074</b>	<b>86,377</b>
<b>Net book amount</b>			
<b>At 31 May 2006</b>	<b>6,233</b>	<b>150,743</b>	<b>156,976</b>
At 31 May 2005	8,584	121,267	129,851

The net book amounts of plant and machinery above include £88,870 (2005 £111,624) in respect of assets held under finance leases or hire purchase contracts

## 7 Stocks

	2006 £	2005 £
Raw materials	67,738	32,394

## 8 Debtors

	2006 £	2005 £
<b>Due within one year</b>		
Trade debtors	430,148	342,528
Prepayments and accrued income	29,655	32,825
Other debtors	62,266	41,912
	<b>522,069</b>	<b>417,265</b>

# Insu-Build Direct Limited

## 9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank overdrafts	207,072	198,604
Trade creditors	278,693	219,475
Amounts owed to group undertakings	124,153	45,858
Corporation tax	4,909	-
Other tax and social security	20,462	17,447
Net obligations under finance lease and hire purchase contracts (note 11)	34,333	34,952
Accruals and deferred income	77,898	41,555
Other creditors	-	144
	<b>747,520</b>	<b>558,035</b>

As security for any bank borrowing the HSBC Bank plc holds a debenture dated 17 January 2000 over the assets of the company

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

## 10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Net obligations under finance lease and hire purchase contracts (note 11)	24,555	59,524

## 11 Finance leases

Gross obligations under finance lease and hire purchase agreements fall due as follows

	2006	2005
	£	£
Within one year	40,001	40,620
Between one and five years	28,656	69,268
Less future finance charges	(9,769)	(15,412)
	<b>58,888</b>	<b>94,476</b>

Finance lease and hire purchase creditors are secured on the assets concerned



# Insu-Build Direct Limited

## 12 Provisions for liabilities and charges

	Deferred taxation £
At 1 June 2005	9,260
Charged to the profit and loss account in the period (note 5)	780
<b>At 31 May 2006</b>	<b>10,040</b>

Deferred tax is analysed as follows

	2006 £	2005 £
Capital allowances	10,159	9,599
Other short term timing differences	(119)	(339)
	<b>10,040</b>	<b>9,260</b>

## 13 Share capital

	2006 £	2005 £
<b>Authorised</b>		
Ordinary shares of £1 each	25,000	25,000
<b>Allotted, called-up and fully paid</b>		
Ordinary shares of £1 each	1,111	1,111

## 14 Reserves

	Profit and loss account £
At 1 June 2005	(47,916)
Profit for the financial period	11,977
<b>At 31 May 2006</b>	<b>(35,939)</b>

# Insu-Build Direct Limited

## 15 Reconciliation of movement in equity shareholders' deficit

	Year ended 31 May 2006	10 months ended 31 May 2005
	£	£
Opening equity shareholders' deficit	(46,805)	(45,351)
Profit/(loss) for the financial period	11,977	(1,454)
Closing equity shareholders' deficit	(34,828)	(46,805)

## 16 Financial commitments

	2006		2005	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	-	-	6,345
Between one and five years	56,855	21,387	26,200	13,394
In more than five years	-	-	27,082	-
	56,866	21,387	53,282	19,739

## 17 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Transactions' not to disclose intra-group transactions. There are no other transactions to be disclosed under Financial Reporting Standard 8.

## 18 Parent undertakings and controlling parties

The immediate parent company is Eaga Home Services Limited, a company who owns 100% of the issued share capital.

The ultimate parent company is eaga plc (formerly Eaga Partnership Limited), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group accounts can be obtained from Eaga House, Archbold Terrace, Jesmond, Newcastle upon Tyne, NE2 1DB.

The equity and control of eaga plc are held in trust for the qualifying employees of the group by Eaga Partnership Trustee Limited and Eaga Partnership Trustee Two Limited.