'AMENDED'

Ever 1951 Limited

Directors' report and financial statements

Registered number 04566806

31 October 2008

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 October 2008.

Nature of the business

The principal activity of the Company is that of the holding company of Everest Limited.

Business Review

During the year the Company made a loss before tax of £391,000 *(2007: £710,000).*

Dividend

The directors do not recommend the payment of a final dividend on ordinary share capital *(2007: £nil).* No interim dividend has been paid in the year on ordinary share capital *(2007: £448,000).*

Preference share dividends of £391,000 (2007: £nil) were paid in the year

Principal risks and uncertainties

The Company does not trade and has no third party debt on its Balance Sheet.

Balances due to Group undertakings will not be demanded if balances receivable from Group undertakings are not settled in cash or until balances receivable from Group undertakings are settled in cash. Accordingly the directors do not consider the Company to be exposed to any principal risks and uncertainties. The Group, which the Company is part of, is highly leveraged and accordingly faces the risks associated with debt financing. The Group performs detailed cash flow forecasting on a short, mid and long term basis, which drives tight working capital management. Projects have also been rolled out across the Group which focus on maximising profit and cash flow by reviewing activities conducted by the Group at an operational level.

The principal risk facing the Group is the decline in the UK economy driven by the credit crisis. This has created a loss of confidence in the general retail market as disposable income and house prices have declined. The Group mitigates this risk by targeting segments of the market that are generally less affected by economic downturns; people within these market segments tend to own their home without a mortgage and have low levels of debt in general. The Group has also launched a television advertising campaign which has driven an increase in market share during a year of decline in the overall home improvements market. Recent reductions in the Bank of England base rate and expectations that rates may not rise in the near future, along with a willingness by the government to guarantee savings, has also assisted in the mitigation of risks associated with the credit crisis.

Directors

The directors who held office during the year were as follows:

M Hopley
S Jarman

Political and charitable donations

The Company made no political or charitable donations during the year *(2007: £nil).*

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board on 17th August 2009.

M Hopley
Director

Everest House
Sopers Road
Cuffley
Hertfordshire
EN6 4SG

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 or loss of the Company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 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 enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Ever 1951 Limited

We have audited the financial statements of Ever 1951 Limited for the year ended 31 October 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' funds and the related notes. These financial statements have been prepared under 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 judgments 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.

Independent auditors' report to the members of Ever 1951 Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 October 2008 and of its loss 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.

KPMG LLP

26 August 2009

KPMG LLP
Chartered Accountants
Registered Auditor

Profit and loss account
for the year ended 31 October 2008

	Note	**2008** **£'000**	2007 £'000
Administrative expenses		-	(636)
Operating loss		-	(636)
Interest receivable	*4*	-	481
Interest payable	*5*	**(391)**	(555)
Loss before taxation		**(391)**	(710)
Taxation	*6*	**22**	(42)
Loss for the financial year		**(369)**	(752)

The Company had no recognised gains or losses other than those included in the profit and loss account above and accordingly no separate statement of total recognised gains and losses has been presented.

Balance Sheet
at 31 October 2008

	Note	**2008 £'000**	**2008 £'000**	2007 £'000	2007 £'000
Fixed assets					
Investments	*7*		**8,000**		8,000
Current assets					
Debtors	*8*	**4,979**		34,658	
Creditors: amounts falling due within one year	*9*	**-**		(21)	
Net current assets			**4,979**		34,637
Total assets less current liabilities			**12,979**		42,637
Creditors: amounts falling due after more than one year	*10*		**(8,894)**		(38,183)
Net assets			**4,085**		4,454
Capital and reserves					
Share capital	*11*		**446**		446
Share premium account	*12*		**4,084**		4,084
Profit and loss account	*12*		**(445)**		(76)
Shareholders' funds			**4,085**		4,454

These financial statements were approved by the board of directors on 17th August 2009 and were signed on its behalf by:

Mark Hopley
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 October 2008

	2008 £'000	2007 £'000
Loss for the financial year	**(369)**	(752)
Dividends	-	(448)
Re-purchase of own shares	-	(8)
Premium on re-purchase of own shares	-	(192)
Net reduction in shareholder's funds	**(369)**	(1,400)
Opening shareholders' funds	**4,454**	5,854
Closing shareholders' funds	**4,085**	4,454

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

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

Exemption from group accounts

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

These financial statements have been prepared on a going concern basis due to the following:

The directors have considered the future profitability of the Company, and the Group to which it belongs, and the ability to continue as a going concern based on profit and cash flow forecasts for the 12 months to 31 July 2010. Based on those projections the directors are satisfied that, for the foreseeable future, the Company and Group can meet its projected working capital requirement and satisfy all forecast liabilities arising on financing and investment obligations.

The directors have further considered a number of sensitised forecasts to reflect the inherent uncertainty in the current economic climate. The directors are satisfied that on the low case sensitised forecast there is sufficient flexibility in the overhead cost base and discretional spend lines to meet its projected working capital requirement and liabilities arising on financing and investment obligations. Consequently they have prepared the financial statements on a going concern basis.

The Company does not trade and has no third party debt on its Balance Sheet. Balances due to Group undertakings will not be demanded if balances receivable from Group undertakings are not settled in cash or until balances receivable from Group undertakings are settled in cash.

Exemption from disclosure of related party transactions

As the Company is a wholly owned subsidiary of Home Improvement Bid Group Limited (formerly DMWSL 568 Limited), which is part of the Home Improvement Group Holdings Limited (formerly DMWSL 571 Limited) Group, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the Home Improvements Group Holdings Limited group. The consolidated financial statements of Home Improvement Group Holdings Limited, within which this Company is included, can be obtained from the address given in note 14.

Exemption from the preparation of a cash flow statement

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

Notes *(continued)*

1 Accounting policies *(continued)*

***Classification of financial instruments issued by the Company** (continued)*

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

2 Loss on ordinary activities before tax

Auditor's remuneration was paid by other companies in the Home Improvements Group Holdings Limited group.

3 Employees and Directors

The Company has no employees. All of the Directors' remuneration is paid by Everest Limited, a wholly-owned subsidiary of the Company. No charge is incurred by the Company.

4 Interest receivable

	2008 £'000	2007 £'000
Interest receivable on amounts due from group undertakings	-	481

5 Interest payable

	2008 £'000	2007 £'000
Interest payable on amounts due to group undertakings	-	555
Dividend on shares classified as liabilities	391	-
	391	555

Notes *(continued)*

6 Taxation

Analysis of current tax credit/(charge) during year:

	2008 **£'000**	2007 £'000
UK corporation tax		
Adjustments in respect of prior years	**22**	(42)

Factors affecting the current tax charge for the year

The current tax credit/(charge) for the year is lower (*2007: higher*) than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 **£'000**	2007 £'000
Current tax reconciliation		
Loss on ordinary activities before tax	**391**	710
Current tax at 29% *(2007: 30%)*	**113**	213
Effects of:		
Expenses not deductible for tax purposes	**-**	(199)
Adjustments in respect of prior periods	**22**	(42)
Utilisation of losses	**(113)**	(14)
Total current tax credit/(charge) (see above)	**22**	(42)

Notes *(continued)*

7 Investments

	Investments in subsidiary undertakings £'000
Cost	
At beginning and end of year	**8,000**

The undertakings in which the Company's interest at the year end were more than 20% are as follows:

Name of company	Country of incorporation	Interest in ordinary shares %
Everest Limited	England and Wales	100
Everest Double Glazing Limited*	England and Wales	100
Everest Legacy Limited*	England and Wales	100
Everest 99 Limited*	England and Wales	100
Home Insulation (Jersey) Limited*	Jersey	100
Everest (Isle of Man) Limited*	Isle of Man	100
Everest Windows Limited*	England and Wales	100
Everest Bedrooms Limited*	England and Wales	100
Everest Kitchens Limited*	England and Wales	100
Everest Home Improvements Limited*	England and Wales	100
Everest Conservatories Limited*	England and Wales	100
Everest Security Systems Limited*	England and Wales	100
Everest Garage Doors Limited*	England and Wales	100
Everest Bathrooms Limited*	England and Wales	100

With the exception of Everest Limited, Everest (Isle of Man) Limited and Home Insulation (Jersey) Limited, none of the above subsidiary undertakings have traded throughout the year ended 31 October 2008.

* Investments are held indirectly through Everest Limited.

8 Debtors

	2008 £'000	2007 £'000
Amounts owed by Group undertakings	**4,979**	34,658

Subsequent to the acquisition of the Company by Home Improvements Bid Group Limited on 4 September 2007, amounts due from Group undertakings now have no fixed repayments and accrue no interest.

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Corporation tax	**-**	21

10 Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Amounts owed to Group undertakings	**4,985**	34,274
Shares classified as liabilities	**3,909**	3,909
	8,894	38,183

Analysis of amounts owed to Group undertakings

	2008	2007
	£'000	£'000
Debt can be analysed as falling due:		
In five years or more	**4,985**	34,274

Subsequent to the acquisition of the Company by Home Improvements Bid Group Limited on 4 September 2007, amounts due to Group undertakings now have no fixed repayments and accrue no interest.

Notes *(continued)*

11 Called up share capital

	2008 £'000	2007 £'000
Authorised		
Equity:		
1,018,030 ordinary shares of £0.10 each	**102**	102
150,000 "A" ordinary shares of £0.10 each	**15**	15
3,377,424 "B" ordinary shares of £0.10 each	**337**	337
	454	454
Non equity		
3,909,091 redeemable shares of £1 each	**3,909**	3,909
	4,363	4,363
Allotted, called up and fully paid		
Equity:		
939,083 ordinary shares of £0.10 each	**94**	94
150,000 "A" ordinary shares of £0.10 each	**15**	15
3,377,424 "B" ordinary shares of £0.10 each	**337**	337
	446	446
Non equity		
3,909,091 redeemable shares of £1 each	**3,909**	3,909
	4,355	4,355
Shares classified as liabilities	**3,909**	3,909
Shares classified in shareholders' funds	**446**	446
	4,355	4,355

Interest on the preference shares is accrued at a rate of 10%. On a winding up the preference shares rank first in repayment and would holders are entitled to the paid up amount on each preference share held and all interest accrued. Preference shares hold no voting rights.

Notes *(continued)*

12 Reserves

	Share premium account £'000	Profit and loss account £'000
At beginning of year	4,084	(76)
Retained loss for the year	-	(369)
At 31 October 2008	**4,084**	**(445)**

13 Commitments

A fixed and floating charge over all assets of the Company is given in favour of Bank of Scotland PLC.

14 Ultimate parent Company and parent undertaking of a larger group of which the Company is a member

The Company is a wholly owned subsidiary of Home Improvement Bid Group Limited (previously DMWSL 568 Limited). The ultimate parent undertaking of Home Improvement Bid Group Limited is Home Improvement Group Holdings Limited (previously DMWSL 571 Limited), a Company registered in England and Wales.

For the current year the largest group in which the results of the Company are consolidated is that headed by Home Improvement Group Holdings limited. The consolidated financial statements for Home Improvement Group Holdings Limited can be obtained from Everest House, Sopers Road, Cuffley, Hertfordshire, EN6 4SG.