

Ever 1951 Limited

**Directors' report and financial
statements**

Registered number 04566806

31 October 2010

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditors' report to the members of Ever 1951 Limited	4
Profit and loss account	6
Balance sheet	7
Reconciliation of movements in shareholders' funds	8
Notes	9

Directors' report

The directors present their directors' report and financial statements for the year ended 31 October 2010

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 £192,000 (2009 £62,000)

Dividend

The directors do not recommend the payment of a final dividend on ordinary share capital (2009 £nil) No interim dividend has been paid in the year on ordinary share capital (2009 £nil)

Preference share dividends of £391,000 (2009 £391,000) were paid in the year

Principal risks and uncertainties

The Company does not trade with third parties and accordingly is dependent on the operating cash flows of other Group companies to service the debt held on the Balance Sheet

The directors of the company have received confirmation that 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

The Group in which the company is part of faces the risks associated with debt financing. The expectation is that the performance of the Group will be within the covenants, agreed with finance providers, for the next 12 months based on the detailed budgeting process undertaken by the Group. The Group also performs detailed cash flow forecasting on a short, mid and long term basis, which drives tight working capital management.

The principal risks facing the Group in which the company is part of are the potential adverse reaction of retail consumers to the government's approach to reducing the UK's budget deficit and the impact on aggregate demand of an increase in the Bank of England base rate as a measure to control higher than forecast inflation. Increases in tax, in particular VAT, create a disincentive for consumers to spend on high value items, such as home improvements, and reductions in public spending may increase unemployment in the public sector, which could stimulate a reduction in consumer confidence. An increase in the Bank of England base rate may also reduce consumer's disposable income if this results in higher interest payments connected to debt instruments such as mortgages. The Group mitigates these risks by targeting segments of the market that are more robust to changes in fiscal policy, people within these market segments tend to have higher disposable income, greater financial resources and low levels of debt. The Group has also continued its television advertising campaign which has driven a further increase in market share during a period of decline in the overall home improvements market.

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 (2009 £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

Pursuant to section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



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).

Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these 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 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 2010 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 October 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Ever 1951 Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP (Statutory Auditor)
Chartered Accountants
St James Square
Manchester
M2 6DS

28 July 2011

Profit and loss account
for the year ended 31 October 2010

	<i>Note</i>	2010 £'000	2009 £'000
Administrative expenses		-	-
Operating profit		-	-
Interest receivable	<i>4</i>	199	329
Interest payable	<i>5</i>	(391)	(391)
Loss before taxation		(192)	(62)
Taxation	<i>6</i>	-	-
Loss for the financial year		(192)	(62)

All amounts are derived from continuing activities

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

There is no material difference between the results as presented above and those presented on a historical cost basis

Balance Sheet
at 31 October 2010

	<i>Note</i>	2010 £'000	2009 £ 000
Fixed assets			
Investments	7	8,000	8 000
Current assets			
Debtors	8	34,901	34 702
Net current assets		34,901	34 702
Total assets less current liabilities		42,901	42,702
Creditors' amounts falling due after more than one year	9	(39,070)	(38,679)
Net assets		3,831	4,023
Capital and reserves			
Share capital	10	446	446
Share premium account	11	4,084	4,084
Profit and loss account	11	(699)	(507)
Shareholders' funds		3,831	4 023

These financial statements were approved by the board of directors on **27th July 2011** and were signed on its behalf by



M Hopley
Director

Company registered number 04566806

Reconciliation of movements in shareholders' funds
for the year ended 31 October 2010

	2010 £'000	2009 £'000
Loss for the financial year	(192)	(62)
Net reduction in shareholder's funds	(192)	(62)
Opening shareholders' funds	4,023	4,085
Closing shareholders' funds	3,831	4,023

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 s400 of the Companies Act 2006 from the requirement to prepare group financial statements. 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. The following paragraphs summarise the basis on which the directors have reached their conclusion

As explained in Note 12, a fixed and floating charge over the assets of the Company has been given in favour of the Bank of Scotland in connection with the senior debt of the Group of which the Company is a part of. The Group's senior debt has been made available on the basis of certain financial covenants. These covenants, together with the structure of the debt and interest margins, were renegotiated in August 2010. The directors have prepared detailed projections for the period to 31 October 2012 which show that for the foreseeable future, the Group can meet its projected working capital requirements, satisfy liabilities arising on financing and investment obligations as they fall due and meet banking requirements.

The directors have further considered potential sensitivities within these forecasts and are satisfied that taking into account reasonable changes in trading performance, they can still meet their projected working capital requirements, satisfying liabilities arising on financing and investment obligations and meet banking covenants.

Exemption from disclosure of related party transactions

As the Company is a wholly owned subsidiary of Home Improvement Bid Group Limited, which is part of the Home Improvement Group Holdings Limited Group, the Company has taken advantage of the exemption contained in FRS 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 13.

Exemption from the preparation of a cash flow statement

Under FRS 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.

Notes (continued)

1 Accounting policies (continued)

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
- 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 FRS 19.

2 Loss on ordinary activities before tax

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

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 was incurred by the Company in the current or prior year.

4 Interest receivable

	2010 £'000	2009 £'000
Other interest	199	329

Notes (continued)

5 Interest payable

	2010 £'000	2009 £'000
Dividend on shares classified as liabilities	391	391

6 Taxation

Analysis of current tax charge during year

	2010 £'000	2009 £'000
UK corporation tax	-	-

Factors affecting the current tax charge for the year

The current tax charge for the year is lower (2009 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2010 £'000	2009 £'000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	192	62
Current tax at 28% (2009 28%)	54	17
<i>Effects of</i>		
Expenses not deductible for tax purposes	(109)	(109)
Utilisation of losses	55	92
Total current tax charge (see above)	-	-

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 Energy Limited*	England and Wales	100
Everest Handyman Limited*	England and Wales	100
Everest Home Cover 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 2010

* Investments are held indirectly through Everest Limited

8 Debtors

	2010 £'000	2009 £'000
Amounts owed by Group undertakings	32,140	32,140
Other debtors	2,761	2,562
	34,901	34,702

Amounts due from Group undertakings have no fixed repayments and accrue no interest

Notes *(continued)*

9 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Amounts owed to Group undertakings	35,161	34,770
Shares classified as liabilities (note 10)	3,909	3,909
	<u>39,070</u>	<u>38,679</u>

Analysis of amounts owed to Group undertakings

	£'000	£'000
Debt can be analysed as falling due		
In five years or more	35,161	34,770
	<u>35,161</u>	<u>34,770</u>

Notes (continued)

10 Called up share capital

	2010 £'000	2009 £'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
	<u>454</u>	<u>454</u>
Non equity		
3,909,091 redeemable shares of £1 each	3,909	3,909
	<u>4,363</u>	<u>4,363</u>
 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
	<u>446</u>	<u>446</u>
Non equity		
3,909,091 redeemable shares of £1 each	3,909	3,909
	<u>4,355</u>	<u>4,355</u>
Shares classified as liabilities	3,909	3,909
Shares classified in shareholders' funds	446	446
	<u>4,355</u>	<u>4,355</u>

The voting rights of A and B ordinary shares are equal

Interest on the preference shares is accrued at a rate of 10%. On a winding up the preference shares rank first in repayment and 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)

11 Reserves

	Share premium account £'000	Profit and loss account £'000
At beginning of year	4,084	(507)
Retained loss for the year	-	(192)
	<hr/>	<hr/>
At 31 October 2010	4,084	(699)
	<hr/>	<hr/>

12 Commitments

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

13 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. The ultimate parent undertaking of Home Improvement Bid Group Limited is Home Improvement Group Holdings 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.