

**HB GROUP LIMITED
(FORMERLY HLW206 LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2004**

REGISTRAR OF COMPANIES



HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

COMPANY INFORMATION

DIRECTOR D Hammond

SECRETARY G Wilkinson

COMPANY NUMBER 04829158

REGISTERED OFFICE Clay Street
Attercliffe
Sheffield
South Yorkshire
S9 2PE

AUDITORS goodband viner taylor
Chartered Accountants & Registered Auditors
The Manor House
260 Ecclesall Road South
Sheffield
S11 9AT

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

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HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

DIRECTOR'S REPORT

For the year ended 31 December 2004

The director presents his report and the financial statements for the year ended 31 December 2004.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company is the holding company for the trading subsidiary within the group. The principal activity of the trading company, Henry Boot Training Limited, is the provision of trading services in the construction industry.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £89,749 (2003 - Loss £1,824) .

The director does not recommend the payment of a dividend.

DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	<u>31/12/04</u>	<u>1/1/04</u>
D Hammond	74	-

AUDITORS

The auditors, goodband viner taylor, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 11th April 2005 and signed on its behalf.


G Wilkinson
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HB GROUP LIMITED
(FORMERLY HLW206 LIMITED)**

We have audited the financial statements of HB Group Limited (formerly HLW206 Limited) for the year ended 31 December 2004 set out on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

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

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Director's Report is not consistent with the financial statements, if 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 with the company is not disclosed.

We read the Director's 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 United Kingdom Auditing Standards 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 director 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.

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HB GROUP LIMITED
(FORMERLY HLW206 LIMITED)**

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

goodband viner taylor

goodband viner taylor

Chartered Accountants
Registered Auditors

The Manor House
260 Ecclesall Road South
Sheffield
S11 9AT

Date: - 3 MAY 2005

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2004**

	Note	Period ended 31 December 2004 £	31 December 2003 £
Administrative expenses		-	(2,541)
OPERATING PROFIT/(LOSS)	2	-	(2,541)
Income from investments in group undertakings		89,749	-
Interest payable	3	-	(65)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		89,749	(2,606)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	4	-	782
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		89,749	(1,824)
DIVIDENDS - On equity shares	5	(80,774)	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	10	8,975	(1,824)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

BALANCE SHEET

As at 31 December 2004

	Note	£	2004 £	£	2003 £
FIXED ASSETS					
Investments	6		210,000		210,000
CURRENT ASSETS					
Debtors	7	5,499		878	
Cash at bank		79,442		75,153	
		<u>84,941</u>		<u>76,031</u>	
CREDITORS: amounts falling due within one year	8	(287,694)		(287,759)	
NET CURRENT LIABILITIES			<u>(202,753)</u>		<u>(211,728)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,247</u>		<u>(1,728)</u>
CAPITAL AND RESERVES					
Called up share capital	9		96		96
Profit and loss account	10		7,151		(1,824)
SHAREHOLDERS' FUNDS - All Equity	11		<u>7,247</u>		<u>(1,728)</u>

The financial statements were approved by the board on 11th Dec 2005 and signed on its behalf.


D Hammond
Director

The notes on pages 7 to 11 form part of these financial statements.

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

CASH FLOW STATEMENT

For the year ended 31 December 2004

	Note	Period ended 31 December 2004 £	31 December 2003 £
Net cash flow from operating activities	12	(4,577)	285,013
Returns on investments and servicing of finance	13	89,749	(65)
Acquisitions and disposals	13	-	(210,000)
Equity dividends paid		(80,774)	-
CASH INFLOW BEFORE FINANCING		4,398	74,948
Financing	13	-	96
INCREASE IN CASH IN THE YEAR		4,398	75,044

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 14)

For the year ended 31 December 2004

	Period ended 31 December 2004 £	31 December 2003 £
Increase in cash in the year	4,398	75,044
MOVEMENT IN NET DEBT IN THE YEAR	4,398	75,044
Net funds at 1 January 2004	75,044	-
NET FUNDS AT 31 DECEMBER 2004	79,442	75,044

The notes on pages 7 to 11 form part of these financial statements.

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Period ended 31 December 2004 £	31 December 2003 £
Depreciation of tangible fixed assets:		
Auditors' remuneration	-	400
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2003 - £nil).

3. INTEREST PAYABLE

	Period ended 31 December 2004 £	31 December 2003 £
On bank loans and overdrafts	-	65
	<u> </u>	<u> </u>

4. TAXATION

	Period ended 31 December 2004 £	31 December 2003 £
UK corporation tax charge/(credit) on profit/(loss) of the year	£ -	£ (782)
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2004

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the company (30%). The differences are explained below:

	Period ended 31 December 2004	31 December 2003
	£	£
Profit/(loss) on ordinary activities before tax	89,749	(2,606)
Profit/(loss) on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2003 - 30)	26,925	(782)
Effects of:		
Capital allowances for period in excess of depreciation	(26,925)	-
Current tax charge/(credit) for year (see note above)	-	(782)

There were no factors that may affect future tax charges.

5. DIVIDENDS

	Period ended 31 December 2004	31 December 2003
	£	£
On equity shares		
Total dividends paid	£ 80,774	£ -

6. FIXED ASSET INVESTMENTS

	Shares in group under- takings £	Total £
Cost		
At 1 January 2004 and 31 December 2004	210,000	210,000

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Henry Boot Training Limited 100%

The aggregate of the share capital and reserves as at 31 December 2004 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Henry Boot Training Limited	479,115	129,563

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2004

7. DEBTORS

	2004 £	2003 £
Due within one year		
Other debtors	5,499	878
	<u>5,499</u>	<u>878</u>

8. CREDITORS:
Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	-	109
Trade creditors	-	500
Amounts owed to group undertakings	287,694	287,000
Other creditors	-	150
	<u>287,694</u>	<u>287,759</u>

9. SHARE CAPITAL

	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, called up and fully paid		
96 Ordinary shares of £1 each	£ 96	£ 96
	<u>£ 96</u>	<u>£ 96</u>

10. RESERVES

Profit and loss account	£
At 1 January 2004	(1,824)
Profit retained for the year	8,975
	<u>7,151</u>
At 31 December 2004	<u>7,151</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2004

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit/(loss) for the year	89,749	(1,824)
Dividends	(80,774)	-
	<u>8,975</u>	<u>(1,824)</u>
Shares issued during the year	-	96
	<u>8,975</u>	<u>(1,728)</u>
Opening shareholders' funds	(1,728)	-
Closing shareholders' funds	<u>7,247</u>	<u>(1,728)</u>

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 December 2004 £	31 December 2003 £
Operating profit/(loss)	-	(2,541)
Increase in debtors	(4,621)	(96)
(Decrease)/increase in creditors	(650)	650
Increase in amounts owed to group undertakings	694	287,000
	<u>(4,577)</u>	<u>285,013</u>
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>(4,577)</u>	<u>285,013</u>

13. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period ended 31 December 2004 £	31 December 2003 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	-	(65)
Income from investments in related companies	89,749	-
	<u>89,749</u>	<u>(65)</u>
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>89,749</u>	<u>(65)</u>

	Period ended 31 December 2004 £	31 December 2003 £
ACQUISITIONS AND DISPOSALS		
Purchase of fixed asset investments	-	(210,000)
	<u>-</u>	<u>(210,000)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2004

	Period ended 31 December 2004 £	31 December 2003 £
FINANCING		
Issue of ordinary shares	-	96

14. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2004 £	Cash flow £	Other non-cash changes £	1 December 2004 £
Cash at bank and in hand:	75,153	4,289	-	79,442
Bank overdraft	(109)	109	-	-
NET FUNDS	75,044	4,398	-	79,442

15. RELATED PARTY TRANSACTIONS

Included in creditors amounts falling due within one year is an amount due to the subsidiary company, *Henry Boot Training Limited* of £287,694 (2003:£287,000). There are no agreed terms for repayment and no interest is charged on the balance.

During the year the company received a dividend of £80,774 (2003:£nil) from *Henry Boot Training Limited*

16. CONTROLLING PARTY

D Hammond, director and shareholder is considered to be the controlling party.

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2004

		Period ended 31 December 2004	31 December 2003
	Page	£	£
Less: OVERHEADS			
Administrative expenses	13	-	(2,541)
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		-	(2,541)
Interest payable	13	-	(65)
	13	89,749	-
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE YEAR		89,749	(2,606)
		<hr/> <hr/>	<hr/> <hr/>

HB GROUP LIMITED (FORMERLY HLW206 LIMITED)

SCHEDULE TO THE DETAILED ACCOUNTS
For the year ended 31 December 2004

	Period ended 31 December 2004 £	31 December 2003 £
Auditors' remuneration	-	400
Auditors' remuneration - non-audit	-	100
Bank charges	-	2,041
	<u>-</u>	<u>2,541</u>
	<u>-</u>	<u>2,541</u>
	Period ended 31 December 2004 £	31 December 2003 £
INTEREST PAYABLE		
Bank overdraft interest payable	-	65
	<u>-</u>	<u>65</u>
	Period ended 31 December 2004 £	31 December 2003 £
Income from investments in group companies	£ 89,749	£ -
	<u>£ 89,749</u>	<u>£ -</u>