

REGISTERED NUMBER 05827765 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010
FOR
BUILDING AUTOMATION SOLUTIONS LIMITED**

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**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2010**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Financial Statements	8

BUILDING AUTOMATION SOLUTIONS LIMITED

COMPANY INFORMATION
for the Year Ended 31 July 2010

DIRECTORS:	Mr S G Dalton Mr R M Savage
SECRETARY:	Mr R M Savage
REGISTERED OFFICE:	Ocean Court Caspian Road Atlantic Street Altrincham Cheshire WA14 5HH
REGISTERED NUMBER:	05827765 (England and Wales)
AUDITORS:	Hale Financial Limited Chartered Accountants Registered Auditors Spring Court Spring Road Hale Altrincham Cheshire WA14 2UQ
BANKERS:	Clydesdale Bank (t/a Yorkshire Bank) The Chancery Spring Gardens Manchester M2 1YB

**REPORT OF THE DIRECTORS
for the Year Ended 31 July 2010**

The directors present their report with the financial statements of the company for the year ended 31 July 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, supply, installation and maintenance of building management systems (BMS) and provision of energy management solutions using BMS

REVIEW OF BUSINESS

In summary, the company generated a gross profit of £10,158,248 (2009 £9,252,581) and profit on ordinary activities before taxation of £3,855,101 (2009 £3,101,307), from turnover of £29,193,336 (2009 £28,063,494)

The company has net current assets of £3,584,747 (2009 £2,704,898), and a balance sheet total (net assets) of £2,950,909 (2009 £1,710,644)

RESEARCH AND DEVELOPMENT

As the only exclusive Siemens Solution Partner for building management systems in the UK, the company has the technical support of a major world-wide corporation. This brings benefits to the company and its customers, especially in new developments and product innovation.

FUTURE OUTLOOK

The external commercial environment is expected to remain competitive in 2010-11 as customers continue to keep a close watch on expenditure. The energy management part of the business, however, is expected to experience increased demand.

The directors are confident that the company will improve upon its current level of performance and deliver future growth in turnover and profits.

PRINCIPAL RISKS AND UNCERTAINTIES

The execution of the company's strategy is subject to risk, principally arising as a result of current economic uncertainty.

KEY PERFORMANCE INDICATORS

Given the nature of the business, and its geographical spread across the UK, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the company.

DIVIDENDS

A number of interim dividends, totalling £1,100,000 (£57.89 per share) on the 'A' Ordinary £0.01p shares, were paid in the year ended 31 July 2010. The total distribution of dividends for the period was £1,420,000 (£74.74 per share) (2009 £1,550,000 (£81.58 per share)).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2009 to the date of this report.

Mr S G Dalton
Mr R M Savage

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions totalling £3,526 (2009 - £3,920), principally to local charities serving the communities in which the company operates.

BUILDING AUTOMATION SOLUTIONS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 July 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Mr S G Dalton - Director

Date 1 December 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BUILDING AUTOMATION SOLUTIONS LIMITED

We have audited the financial statements of Building Automation Solutions Limited for the year ended 31 July 2010 on pages five to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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

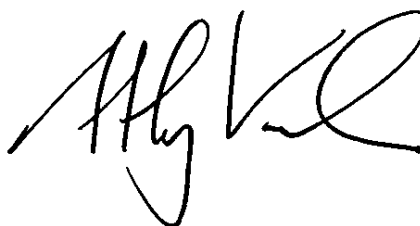
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Mr Anthony Knowles (Senior Statutory Auditor)
for and on behalf of Hale Financial Limited
Chartered Accountants
Registered Auditors
Spring Court
Spring Road
Hale
Altrincham
Cheshire
WA14 2UQ



Date

1 December 2010

BUILDING AUTOMATION SOLUTIONS LIMITED (REGISTERED NUMBER 05827765)

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 July 2010**

	Notes	31 7 10 £	31 7 09 £
TURNOVER		29,193,336	28,063,494
Cost of sales		<u>19,035,088</u>	<u>18,810,913</u>
GROSS PROFIT		10,158,248	9,252,581
Administrative expenses		<u>6,165,319</u>	<u>6 336,581</u>
OPERATING PROFIT	3	3,992,929	2,916,000
Interest receivable and similar income		<u>3,050</u>	<u>10,164</u>
		3,995,979	2,926,164
Interest payable and similar charges	4	<u>140,878</u>	<u>(175,143)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,855,101	3,101,307
Tax on profit on ordinary activities	5	<u>1,194,836</u>	<u>912,892</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>2,660,265</u></u>	<u><u>2,188,415</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes on pages 8 to 17 form part of these financial statements

BALANCE SHEET
31 July 2010

	Notes	31 7 10	31 7 09
		£	£
FIXED ASSETS			
Intangible assets	7	360 186	720 374
Tangible assets	8	<u>548,247</u>	<u>659,052</u>
		908,433	1,379,426
CURRENT ASSETS			
Stocks	9	380,263	459,764
Debtors	10	6,706,765	6,750,311
Cash at bank		<u>3,631,726</u>	<u>2,651,837</u>
		10,718,754	9,861,912
CREDITORS			
Amounts falling due within one year	11	<u>7,134,007</u>	<u>7,157,014</u>
NET CURRENT ASSETS		<u>3,584,747</u>	<u>2,704,898</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,493,180	4,084,324
CREDITORS			
Amounts falling due after more than one year	12	(1,355,687)	(2,239,442)
PROVISIONS FOR LIABILITIES	16	<u>(186,584)</u>	<u>(134,238)</u>
NET ASSETS		<u><u>2,950,909</u></u>	<u><u>1,710,644</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	190	190
Share premium	18	99,810	99,810
Profit and loss account	18	<u>2,850,909</u>	<u>1,610 644</u>
SHAREHOLDERS' FUNDS	20	<u><u>2,950,909</u></u>	<u><u>1,710,644</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 1 December 2010 and were signed on its behalf by


Mr S G Dalton - Director


Mr R M Savage - Director

The notes on pages 8 to 17 form part of these financial statements

**CASH FLOW STATEMENT
for the Year Ended 31 July 2010**

	Notes	31 7 10 £	£	31 7 09 £	£
Net cash inflow from operating activities	21		4,842,416		4,555,323
Returns on investments and servicing of finance	22		(137,828)		185,307
Taxation			(1,134,387)		(1,381,691)
Capital expenditure	22		(134,147)		(29,751)
Equity dividends paid			<u>(1,420,000)</u>		<u>(1,230,000)</u>
			2,016,054		2,099,188
Financing	22		<u>(1,036,165)</u>		<u>(832,084)</u>
Increase in cash in the period			<u>979,889</u>		<u>1,267,104</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	23				
Increase in cash in the period		979,889		1,267,104	
Cash outflow from decrease in debt and lease financing		<u>1,036,164</u>		<u>913,833</u>	
Change in net debt resulting from cash flows			<u>2,016,053</u>		<u>2,180,937</u>
Movement in net debt in the period			2,016,053		2,180,937
Net debt at 1 August			<u>(647,696)</u>		<u>(2,828,633)</u>
Net funds/(debt) at 31 July			<u>1,368,357</u>		<u>(647,696)</u>

The notes on pages 8 to 17 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared on the going concern basis, under the historical cost convention and are in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Turnover

Contracts, projects and systems installation

Turnover represents net invoiced sales and net payment applications, excluding value added tax. Amounts invoiced in advance of work undertaken are adjusted via a provision which is included in creditors falling due within one year.

Provision is made for any losses on a contract as soon as the loss is identified. Provision is also made for warranty claims and any other costs that are reasonably foreseeable.

Service contracts

Turnover represents net invoiced sales, excluding value added tax, relating to the period under review. Amounts billed in respect of future periods are classified as deferred turnover on service contracts, and posted to creditors falling due within one year.

Goodwill

Goodwill arising on the acquisition of the part of the Siemens Building Technologies business of Siemens plc, known as Building Automation, has been assessed and the directors consider their best estimate of the useful economic life of the related goodwill to be five years. Provision is made for any impairment.

Tangible fixed assets

Fixed assets are stated at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Short leasehold	20% on cost
Other Equipment	15% on cost
Office Furniture	15% on cost
IT Equipment	20% on cost

Work In Progress

Work in progress represents actual costs incurred on contracts, in excess of cost of sales, based on percentage of completion. Where cost of sales is greater than actual costs incurred, a provision is made and included in trade creditors.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet, and depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010

1 ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going Concern

The company has considerable cash resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2 STAFF COSTS

	31 7 10	31 7 09
	£	£
Wages and salaries	8,097,432	8,257,611
Social security costs	1,037,556	1,082,816
Other pension costs	362,344	385,036
	<u>9,497,332</u>	<u>9,725,463</u>

The average monthly number of employees during the year was as follows

	31 7 10	31 7 09
Salaried staff	<u>220</u>	<u>226</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 7 10	31 7 09
	£	£
Hire of plant and machinery	47,617	73,185
Other operating leases	312,843	320,097
Depreciation - owned assets	98,094	73,926
Depreciation - assets on finance leases	146,860	146,860
Goodwill amortisation	360,187	360,186
Auditors' remuneration	40,000	40,000
Foreign exchange differences	-	(4)
Non-audit remuneration - recurring services	10,500	11,324
Non-audit remuneration - non-recurring services	3,500	8,050
Loan forgiven on early settlement	-	<u>(500,000)</u>
	<u>-</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010**

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 7 10	31 7 09
	£	£
Bank interest	192	-
Senior debt interest	110,337	98,525
Long term loan interest	-	(327,573)
Finance lease interest	<u>30,349</u>	<u>53,905</u>
	<u>140,878</u>	<u>(175,143)</u>

Long term loan interest is net of interest repaid on early settlement of a loan

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 7 10	31 7 09
	£	£
Current tax		
UK corporation tax	1,191,090	912,892
Deferred tax	<u>3,746</u>	<u>-</u>
Tax on profit on ordinary activities	<u>1,194,836</u>	<u>912,892</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 7 10	31 7 09
	£	£
Profit on ordinary activities before tax	<u>3,855,101</u>	<u>3,101,307</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	1,079,428	868,366
Effects of		
Allowable expenses	-	(1,070)
Excess of depreciation over capital allowances	32,585	45,596
Disallowed expenses	<u>79,077</u>	<u>-</u>
Current tax charge	<u>1,191,090</u>	<u>912,892</u>

6 DIVIDENDS

	31 7 10	31 7 09
	£	£
'A' Ordinary shares of 1p each		
Final	320,000	320,000
Interim	<u>1,100,000</u>	<u>1,230,000</u>
	<u>1,420,000</u>	<u>1,550,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2009 and 31 July 2010	<u>1,600,829</u>
AMORTISATION	
At 1 August 2009	880,456
Amortisation for year	<u>360,187</u>
At 31 July 2010	<u>1,240,643</u>
NET BOOK VALUE	
At 31 July 2010	<u>360,186</u>
At 31 July 2009	<u>720,373</u>

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Other equipment £	Office furniture £	IT equipment £	Totals £
COST					
At 1 August 2009	7,272	3,112	375,859	813,491	1,199,734
Additions	<u>3,744</u>	<u>-</u>	<u>12,196</u>	<u>118,207</u>	<u>134,147</u>
At 31 July 2010	<u>11,016</u>	<u>3,112</u>	<u>388,055</u>	<u>931,698</u>	<u>1,333,881</u>
DEPRECIATION					
At 1 August 2009	3,925	1,114	134,062	401,579	540,680
Charge for year	<u>1,764</u>	<u>467</u>	<u>61,577</u>	<u>181,146</u>	<u>244,954</u>
At 31 July 2010	<u>5,689</u>	<u>1,581</u>	<u>195,639</u>	<u>582,725</u>	<u>785,634</u>
NET BOOK VALUE					
At 31 July 2010	<u>5,327</u>	<u>1,531</u>	<u>192,416</u>	<u>348,973</u>	<u>548,247</u>
At 31 July 2009	<u>3,347</u>	<u>1,998</u>	<u>241,797</u>	<u>411,912</u>	<u>659,054</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010

8 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows

	Office furniture £	IT equipment £	Totals £
COST			
At 1 August 2009	267,106	533,968	801,074
Transfer to ownership	<u>(267,106)</u>	<u>(338,800)</u>	<u>(605,906)</u>
At 31 July 2010	<u>-</u>	<u>195,168</u>	<u>195,168</u>
DEPRECIATION			
At 1 August 2009	93,487	286,120	379,607
Charge for year	40,066	106,794	146,860
Transfer to ownership	<u>(133,553)</u>	<u>(256,946)</u>	<u>(390,499)</u>
At 31 July 2010	<u>-</u>	<u>135,968</u>	<u>135,968</u>
NET BOOK VALUE			
At 31 July 2010	<u>-</u>	<u>59,200</u>	<u>59,200</u>
At 31 July 2009	<u>173,619</u>	<u>247,848</u>	<u>421,467</u>

9 STOCKS

	31 7 10	31 7 09
	£	£
Work-in-progress	<u>380,263</u>	<u>459,764</u>

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 7 10	31 7 09
	£	£
Trade debtors	6,437,894	6,415,649
Other debtors	2,507	2,507
Prepayments and accrued income	<u>266,364</u>	<u>332,155</u>
	<u>6,706,765</u>	<u>6,750,311</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 7 10	31 7 09
	£	£
Bank loans and overdrafts (see note 13)	901,074	925,000
Finance leases (see note 14)	6,608	135,091
Trade creditors	3,030,323	2,840,155
Corporation tax	490,481	433,778
Social security and other taxes	1,136,730	1,429,225
Proposed dividends	320,000	320,000
Other creditors	121,926	145,047
Accruals and deferred income	<u>1,126,865</u>	<u>928,718</u>
	<u>7,134,007</u>	<u>7,157,014</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 7 10	31 7 09
	£	£
Bank loans (see note 13)	1,355,687	2,232,834
Finance leases (see note 14)	-	6,608
	<u>1,355,687</u>	<u>2,239,442</u>

13 LOANS

An analysis of the maturity of loans is given below

	31 7 10	31 7 09
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>901,074</u>	<u>925,000</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>901,074</u>	<u>925,000</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>454,613</u>	<u>1,307,834</u>

14 OBLIGATIONS UNDER LEASING AGREEMENTS

	31 7 10	31 7 09
	£	£
Gross obligations repayable		
Within one year	7,949	163,660
Between one and five years	<u>-</u>	<u>7,949</u>
	<u>7,949</u>	<u>171,609</u>
Finance charges repayable		
Within one year	1,341	28,569
Between one and five years	<u>-</u>	<u>1,341</u>
	<u>1,341</u>	<u>29,910</u>
Net obligations repayable		
Within one year	6,608	135,091
Between one and five years	<u>-</u>	<u>6,608</u>
	<u>6,608</u>	<u>141,699</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010**

14 OBLIGATIONS UNDER LEASING AGREEMENTS - continued

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	31 7 10	31 7 09
	£	£
Expiring		
Between one and five years	37,140	37,140
In more than five years	<u>227,731</u>	<u>227,732</u>
	<u>264,871</u>	<u>264,872</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	31 7 10	31 7 09
	£	£
Bank loans	<u>2,256,761</u>	<u>3,157,834</u>

Debentures

A debenture was created on 9 January 2009, for securing all monies due or to become due from the company to Clydesdale Bank Plc

The debenture grants a fixed charge by way of first legal mortgage on any land owned by the company at the date of the debenture, a first fixed equitable charge on any land acquired by the company after the date of the debenture, first fixed charges on all of the company's goodwill, uncalled capital, and other assets including debts, and a first floating charge on any assets not covered by the fixed charges above

Rent Deposit Deeds

(a) A Rent Deposit Deed was created on 6 November 2006, for securing £14,875 due or to become due from the company to Marlin Land (Midlands) Limited, the Landlord of a leased property situated at Unit 3, Marlin Office Village, Chester Road, Castle Bromwich

Upon execution of the Rent Deposit Deed, the company deposited with the Landlord a sum of £14,875, being a deposit to secure the performance of its obligations under the lease

(b) A Rent Deposit Deed was created on 6 December 2006, for securing all monies due or to become due from the company to Aberdeen City Council, the Landlord of a leased property situated at Century House, Pacific Road (now also known as Ocean Court, Caspian Road), Altrincham

Upon execution of the Rent Deposit Deed, the company deposited with the Landlord a sum of £36,508 50 + Value Added Tax, being a deposit to secure the performance of its obligations under the lease

This deed was satisfied in full on 21 August 2010

BUILDING AUTOMATION SOLUTIONS LIMITED (REGISTERED NUMBER: 05827765)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010**

16 PROVISIONS FOR LIABILITIES

	31 7 10	31 7 09
	£	£
Deferred tax	10,295	6,549
Dilapidations provision	<u>176,289</u>	<u>127,689</u>
	<u>186,584</u>	<u>134,238</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 August 2009	6,549	127,689
Increase in provision	<u>3,746</u>	<u>-</u>
Balance at 31 July 2010	<u>10,295</u>	<u>127,689</u>

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	31 7 10	31 7 09
		lp	£	£
19,000	'A' Ordinary		<u>190</u>	<u>190</u>

18 RESERVES

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 August 2009	1,610,644	99,810	1,710,454
Profit for the year	2,660,265		2,660,265
Dividends	<u>(1,420,000)</u>		<u>(1,420,000)</u>
At 31 July 2010	<u>2,850,909</u>	<u>99,810</u>	<u>2,950,719</u>

19 POST BALANCE SHEET EVENTS

On 30th November 2010, 3,094 EMI share options were exercised, and a corporation tax deduction under Chapter 2 of Part 12 CTA 2009 arises. The deduction in a shortened accounting period to 30 November 2010 will result in a corporation tax loss which will be carried back against the reported profits for the year ended 31 July 2010 to create a corporation tax repayment. The tax adjustments will be accounted for in the financial statements of the company in the period to which they relate.

On 1st December 2010 100% of the ordinary shares of Building Automation Solutions Limited were bought by BAS Bidco Limited. As a result of this, from 1st December 2010, BAS Bidco Limited became the immediate parent company of BAS and the new ultimate controlling party of the company became Bridgepoint Development Capital I LLP.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 7 10	31 7 09
	£	£
Profit for the financial year	2,660,265	2,188,415
Dividends	<u>(1,420,000)</u>	<u>(1,550,000)</u>
Net addition to shareholders' funds	1,240,265	638,415
Opening shareholders' funds	<u>1,710,644</u>	<u>1,072,229</u>
Closing shareholders' funds	<u><u>2,950,909</u></u>	<u><u>1,710,644</u></u>

21 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 7 10	31 7 09
	£	£
Operating profit	3,992,929	2,916,000
Depreciation charges	605,141	580,972
Dilapidations provision	48,600	47,507
Decrease in stocks	79,501	238,066
Decrease in debtors	43,546	328,646
Increase in creditors	<u>72,699</u>	<u>444,132</u>
Net cash inflow from operating activities	<u><u>4,842,416</u></u>	<u><u>4,555,323</u></u>

22 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 7 10	31 7 09
	£	£
Returns on investments and servicing of finance		
Interest received	3,050	10,164
Interest paid	(110,529)	229,048
Interest element of finance lease payments	<u>(30,349)</u>	<u>(53,905)</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u><u>(137,828)</u></u>	<u><u>185,307</u></u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(134,147)</u>	<u>(29,751)</u>
Net cash outflow for capital expenditure	<u><u>(134,147)</u></u>	<u><u>(29,751)</u></u>
Financing		
New loans in year	-	3,800,000
Loan repayments in year	(901,074)	(4,372,315)
Capital repayments in year	<u>(135,091)</u>	<u>(259,769)</u>
Net cash outflow from financing	<u><u>(1,036,165)</u></u>	<u><u>(832,084)</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2010

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 8 09 £	Cash flow £	At 31 7 10 £
Net cash			
Cash at bank	<u>2,651,837</u>	<u>979,889</u>	<u>3 631 726</u>
	<u>2,651,837</u>	<u>979,889</u>	<u>3,631,726</u>
Debt			
Finance leases	(141,699)	135,091	(6,608)
Debts falling due within one year	(925,000)	23,926	(901,074)
Debts falling due after one year	<u>(2,232,834)</u>	<u>877,147</u>	<u>(1,355,687)</u>
	<u>(3,299,533)</u>	<u>1,036,164</u>	<u>(2,263,369)</u>
Total	<u>(647,696)</u>	<u>2,016,053</u>	<u>1,368,357</u>