REGISTERED NUMBER: 4638952

Report of the Directors and

Financial Statements for the Year Ended 31 December 2007

for

Willmott Dixon Sustain Limited

Previously known as Inspace Maintain Limited

Contents of the Financial Statements for the Year Ended 31 December 2007

Willmott Dixon Sustain Limited

Company Information
for the Year Ended 31 December 2007

DIRECTORS:	Colin Enticknap FCIOB, MRICS (Chairman) Helen Cooper MCIOB, BSc (Hons) Duncan Forbes MCIOB David Hansell MBA Andrew Telfer ACA, BSc (Eng) Jayne Watkins FCA, BSc (Econ)
SECRETARY:	Robert Eyre ACIS Wendy McWilliams LLB ACIS
REGISTERED OFFICE:	Spirella 2 Icknield Way Letchworth Garden City Hertfordshire SG6 4GY
REGISTERED NUMBER:	4638952
AUDITORS:	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP

Willmott Dixon Sustain Limited

Report of the Directors
for the Year Ended 31 December 2007

The directors present their report with the audited financial statements of the company for the year ended 31 December 2007.

CHANGE OF NAME
The company passed a special resolution on 1 July 2008 changing its name from Inspace Maintain Limited to Willmott Dixon Sustain Limited.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

The company specialises in the improvement and maintenance of public and private sector non-housing real estate. It has for several years been one of the UK's largest fabric maintenance businesses, delivering an integrated 24/7 reactive service through its national infrastructure across England, Scotland and Wales.

The profit for the year after taxation was £1,328,736 (2006 - £768,548).

The directors do not expect any change in the activities of the company in the foreseeable future.

The principal risk facing the business are the uncertainties in the UK economy, the directors mitigate this risk by close monitoring of the performance of the business by use of KPIs.

DIVIDENDS
No interim dividend was paid during the year (2006 nil pence per share). The directors recommended and paid a final dividend of 50.0p per share (2006 25.0p per share)

The total distribution of dividends for the year ended 31 December 2007 was £500,000 (2006. £250,000).

DIRECTORS
The names of the current directors of the company are shown on page 1.

The following changes in directors have occurred since 1 January 2007:

David Batchelor	- resigned 01.01.2007
Helen Cooper	- appointed 01.01.2007
David Hansell	- appointed 01.01.2007
Tom Kennedy	- resigned 10.01.2007
Karim Khan	- resigned 30.11.2007
Catherine Weir	- resigned 23.05.2008

FINANCIAL INSTRUMENTS
The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price or liquidity risk.

EMPLOYEES
It is the policy of the company to employ the most suitably qualified persons regardless of age, religion, gender, sexual orientation or ethnic origin or any other grounds not related to a person's ability to work safely and effectively for the company. The company encourages the employment and career development of disabled persons and the continued employment of employees who may be injured or disabled in the course of their employment

The company recognises the importance of ensuring that relevant business information is provided to employees. This is achieved through the regular operation of a communications programme.

PAYMENT OF SUPPLIERS
It is company policy to agree the terms of payment as part of the commercial arrangements negotiated with suppliers and to then pay according to those terms. Trade creditor days, based on creditors at 31 December 2007, were 80 days (2006: 52 days).

KEY PERFORMANCE INDICATORS
The directors, who are key management, use financial measures such as profitability and turnover to monitor performance. The results of these measures can be seen in the profit and loss account.

In addition, non financial measures relating to employees, customers and other stakeholders are reviewed.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing 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). 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

THE DISCLOSURE OF INFORMATION TO THE AUDITORS
The directors confirm that, having made enquiries of fellow directors and of the company's auditors, to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware Each of the directors has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Willmott Dixon Sustain Limited

Report of the Directors
for the Year Ended 31 December 2007

AUDITORS
Baker Tilly UK Audit LLP resigned as auditors and PKF (UK) LLP were appointed. PKF (UK) LLP has indicated its willingness to continue in office.

ON BEHALF OF THE BOARD:

....
Robert Eyre ACIS - Secretary

Date: 30 OCT 2008

Report of the Independent Auditors to the Members of Willmott Dixon Sustain Limited

We have audited the financial statements of Willmott Dixon Sustain Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes The 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 Report of the Directors 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 Report of the Directors 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.

Report of the Independent Auditors to the members of Willmott Dixon Sustain 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 December 2007 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 Report of the Directors is consistent with the financial statements.

PKF (UK) LLP

PKF (UK) LLP
Registered Auditors
London, UK

Date: 31 October 2008

Willmott Dixon Sustain Limited

Profit and Loss Account
for the Year Ended 31 December 2007

	Notes	31.12.07 £	£	31.12.06 £	£
TURNOVER			71,637,801		54,974,244
Cost of sales			55,909,189		41,197,510
GROSS PROFIT			15,728,612		13,776,734
Distribution costs		311,905		158,644	
Administrative expenses		13,095,107		12,131,724	
			13,407,012		12,290,368
OPERATING PROFIT	3		2,321,600		1,486,366
Interest payable and similar charges	4		362,211		531,439
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,959,389		954,927
Tax on profit on ordinary activities	5		630,653		186,379
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,328,736		768,548

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 form part of these financial statements

Willmott Dixon Sustain Limited

Balance Sheet as at
31 December 2007

	Notes	As at 31 12.07 £	£	As at 31.12.06 £	£
FIXED ASSETS					
Tangible assets	7		295,492		162,036
Investments	8		-		-
			295,492		162,036
CURRENT ASSETS					
Stocks	9	330,630		140,668	
Debtors	10	20,845,681		14,258,588	
Cash in hand		181,187		119,820	
		21,357,498		14,519,076	
CREDITORS					
Amounts falling due within one year	11	18,989,110		12,845,968	
NET CURRENT ASSETS			2,368,388		1,673,108
TOTAL ASSETS LESS CURRENT LIABILITIES			2,663,880		1,835,144
CAPITAL AND RESERVES					
Called up share capital	13		1,000,000		1,000,000
Profit and loss account	14		1,663,880		835,144
SHAREHOLDERS' FUNDS	16		2,663,880		1,835,144

The financial statements were approved and authorised for issue by the Board of Directors on

3 0 OCT 2008 and were signed on its behalf by:

....

Duncan Forbes - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Basis of accounting
The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Exemption from preparing consolidated financial statements
The financial statements contain information about Willmott Dixon Sustain Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Inspace Limited, a company registered in England.

Turnover
Turnover is the aggregate of all invoiced external sales adjusted for amounts recoverable on contracts at the beginning and end of the year, stated net of value added tax.

Tangible fixed assets
Tangible fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at the following rates, calculated to write each asset down to its estimated residual value evenly over its expected useful economic life:

Short leasehold buildings	The earlier of 5 years or until the next break point in the lease
Furniture and equipment	10% - 25% per annum

Where fixed assets are impaired in value or use they are written down to their estimated economic value.

Stocks
Stocks are valued at the lower of cost and net realisable value Cost is computed on a first in first out basis. Net realisable value is based upon estimated selling price. Provision is made for obsolete and slow-moving items.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred Deferred tax is not discounted.

Deferred tax assets are recognised to the extent that the Directors consider it more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are not discounted.

Investments
Investments are included at cost less amount written off where it is considered they are impaired. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

continued...

1. **ACCOUNTING POLICIES - continued**

Operating leases
The total payments made under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Amounts recoverable on contracts
Amounts recoverable on contracts are valued at cost with appropriate addition or provision for estimated profits or losses and after deduction of amounts received and applications for payment receivable. All foreseeable losses are provided for in full.

Turnover and profit is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned when the outcome of work under the contract can be assessed with reasonable certainty.

Dividends
Dividends are recognised in the accounting period in which they are declared and approved in accordance with Financial Reporting Standard 21.

Cash flow statement
The company qualifies under Financial reporting Standard 1, paragraph 8 for the exemption from preparing a cash flow statement on the grounds that it is a wholly owned subsidiary of a UK company that publishes a consolidated cash flow statement.

2. **STAFF COSTS**

	31 12.07	31 12.06
	£	£
Wages and salaries	15,777,357	16,011,155
Social security costs	1,663,781	1,715,739
	17,441,138	17,726,894

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

	31.12.07	31.12.06
Office and administration	175	194
Site and production	357	356
	532	550

Four directors (2006 - six directors) were remunerated by the company's parent company Inspace Limited, for their services to the group as a whole.

continued ..

3 OPERATING PROFIT

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

	31 12.07	31.12 06
	£	£
Hire of plant and machinery	2,041,982	1,951,009
Depreciation - owned assets	129,757	102,188
Loss/(Profit) on disposal of fixed assets	3,668	(3,946)
Operating lease rentals - land and buildings	376,921	383,325
Operating lease rentals - other	2,041,984	15,000
Auditors' remuneration - statutory audit	-	4,000

Auditors' remuneration for audit and other services is paid by Inspace Limited.

Directors' emoluments	289,250	229,726

Information regarding the highest paid director is as follows:

	31 12.07	31.12 06
	£	£
Directors emoluments	122,930	121,040

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.07	31 12.06
	£	£
Group interest paid	362,211	531,439

continued. .

5. **TAXATION**

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

	31.12.07	31.12.06
	£	£
Current tax:		
UK corporation tax on profits for the year	625,740	210,047
UK corporation tax adjustments in respect of prior periods	(1,873)	-
Total current tax	623,867	210,047
Deferred tax:		
Origination and reversal of timing differences	2,628	(2,853)
Effect of reduced tax rate	1,454	-
Prior year adjustment	2,704	(20,815)
Total deferred tax	6,786	(23,668)
Tax on profit on ordinary activities	630,653	186,379

UK corporation tax has been charged at 30% (2006 - 30%)

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 12.07	31.12.06
	£	£
Profit on ordinary activities before tax	1,959,389	954,927
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	587,817	286,478
Effects of:		
Expenses not deductible for tax purposes	42,373	46,610
Capital allowances for the period in excess of depreciation	(4,450)	2,853
Group relief	-	(125,894)
Current tax charge	625,740	210,047

The movement in the deferred tax asset of £6,786 (2006: asset of £23,668) was transferred to the parent company.

continued...

6. DIVIDENDS

	31 12.07 £	31.12.06 £
Ordinary shares of £1 each		
Final	500,000	250,000

The directors declared and paid a dividend of 50.0p per share, totalling £500,000 for the year ended 31 December 2007 (2006· 25 0p per ordinary share totalling £250,000).

7. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Furniture and equipment £	Totals £
COST			
At 1 January 2007	116,480	875,579	992,059
Additions	-	266,881	266,881
Disposals	(33,811)	(270,387)	(304,198)
Reclassification/transfer	-	5,249	5,249
At 31 December 2007	82,669	877,322	959,991
DEPRECIATION			
At 1 January 2007	116,480	713,543	830,023
Charge for year	-	129,757	129,757
Eliminated on disposal	(33,811)	(266,719)	(300,530)
Reclassification/transfer	-	5,249	5,249
At 31 December 2007	82,669	581,830	664,499
NET BOOK VALUE			
At 31 December 2007	-	295,492	295,492
At 31 December 2006	-	162,036	162,036

continued...

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2007 and 31 December 2007	150,000
PROVISIONS	
At 1 January 2007 and 31 December 2007	150,000
NET BOOK VALUE	
At 31 December 2007	-
At 31 December 2006	-

The company's investments at the balance sheet date in the share capital of companies include the following:

Inspace Environment Ltd
Nature of business: Non-trading, incorporated in the United Kingdom.

Class of shares:	% holding
Ordinary	100.00

	31.12 07 £	31.12.06 £
Aggregate capital and reserves	(51,064)	(51,064)

9. STOCKS

	31.12.07 £	31 12.06 £
Stocks – consumables	330,630	140,668

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.07 £	31.12.06 £
Trade debtors	8,747,416	6,340,008
Amounts recoverable on contracts	11,832,140	7,742,484
Other debtors	28,712	4,923
Prepayments	237,413	171,173
	20,845,681	14,258,588

continued...

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.07	31.12.06
	£	£
Payments on account	779,950	1,014,472
Trade creditors	8,837,481	5,120,232
Amounts owed to group undertakings	7,195,704	5,563,138
Other creditors	4,980	37,141
Accruals and deferred income	2,170,995	1,110,985
	18,989,110	12,845,968

12. OPERATING LEASE COMMITMENTS

Obligations under operating leases at 31 December 2007 were as follows:

	Land and buildings		Other operating leases	
	31 12.07	31.12.06	31.12.07	31.12.06
	£	£	£	£
Expiring:				
Within one year	59,000	122,223	6,016	-
Between one and five years	106,658	136,750	-	6,805
In more than five years	49,000	-	-	-
	214,658	258,973	6,016	6,805

13 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number.	Class:	Nominal	31.12.07	31.12.06
			£	£
1,000,000	Ordinary	£1	1,000,000	1,000,000

14. RESERVES

	Profit and loss account £
At 1 January 2007	835,144
Profit for the year	1,328,736
Dividends	(500,000)
At 31 December 2007	1,663,880

15. ULTIMATE PARENT COMPANY

At 31 December 2007, the Company's immediate parent company was Inspace Corporate Assets Limited and its ultimate parent company and controlling party was Inspace Limited (formerly Inspace plc) both incorporated in England.

The Annual Report and Accounts of Inspace Limited for the year ended 31 December 2007 can be viewed at www.inspace.co.uk.

Following the acquisition of Inspace Limited by Willmott Dixon Limited on 17 January 2008, Inspace Limited was subsequently transferred to Willmott Dixon Holdings Limited on 17 March 2008 and thus the company's ultimate parent company became Willmott Dixon Holdings Limited. Willmott Dixon Holdings Limited is a company incorporated in England.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12 07 £	31.12.06 £
Profit for the financial year	1,328,736	768,548
Dividends	(500,000)	(250,000)
Net addition to shareholders' funds	828,766	518,548
Opening equity shareholders' funds	1,835,144	1,316,596
Closing equity shareholders' funds	2,663,880	1,835,144

17. **GROUP GUARANTEES**

The company provided a guarantee to the Royal Bank of Scotland in respect of a loan facility afforded by the bank to Inspace Limited. As at 31 December 2007 the balance of the loan amounted to £23,376,000 (2006: £31,574,000).

The company has also given certain guarantees to customers, landlords and finance companies in respect of agreements entered into by companies within the group in the normal course of business

18 **RELATED PARTY TRANSACTIONS**

In the opinion of the directors the company is entitled to the exemption from disclosing related party transactions with entities within the group in accordance with Financial Reporting Standard 8 There were no other transactions with related parties.

The directors received dividends in accordance with their shareholdings in Inspace Limited.