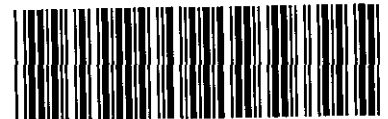

BAKER & NISBET LTD

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

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COMPANIES HOUSE

BAKER & NISBET LTD

COMPANY INFORMATION

DIRECTORS

Mr A J Baker
Mr N D Pettit

SECRETARY

Mr A J Baker

COMPANY NUMBER

1006708

REGISTERED OFFICE

Highbury House
8 Northgate Avenue
Bury St Edmunds
Suffolk
IP32 6BB

ACCOUNTANTS

Peters Elworthy & Moore
Chartered Accountants
Salisbury House
Station Road
Cambridge
CB1 2LA

BAKER & NISBET LTD

CONTENTS

	Page
Directors' report	1
Profit and loss account	2
Balance sheet	3 - 4
Notes to the financial statements	5 - 10

BAKER & NISBET LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006**

The directors present their report and the financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activity of the company was that of building.

DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	31/3/06	1/4/05
Mr A J Baker	50	50
Mr N D Pettit	50	50

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 26TH JANUARY 2007 and signed on its behalf.



Mr A J Baker
Secretary

BAKER & NISBET LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**

	Note	2006 £	2005 £
TURNOVER	1	2,266,622	2,028,040
Cost of sales		(1,522,407)	(1,399,175)
GROSS PROFIT		744,215	628,865
Administrative expenses		(518,088)	(183,458)
Other operating income		5,672	-
OPERATING PROFIT	2	231,799	445,407
Interest receivable		2,618	3,613
Interest payable		(118,939)	(82,261)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		115,478	366,759
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	(61,000)	(65,599)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	54,478	301,160

The notes on pages 5 to 10 form part of these financial statements.

BAKER & NISBET LTD

**BALANCE SHEET
AS AT 31 MARCH 2006**

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible fixed assets	4		273,364		291,025
CURRENT ASSETS					
Stocks	5	2,345,048		1,801,136	
Debtors	6	19,466		276,211	
Cash at bank and in hand		34,449		54,513	
			<u>2,398,963</u>	<u>2,131,860</u>	
CREDITORS: amounts falling due within one year	7	(1,602,149)		(925,863)	
NET CURRENT ASSETS			<u>796,814</u>		<u>1,205,997</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,070,178</u>		<u>1,497,022</u>
CREDITORS: amounts falling due after more than one year	8		(566,822)		(988,144)
PROVISIONS FOR LIABILITIES					
Deferred tax	10		(10,940)		(10,940)
NET ASSETS			<u><u>492,416</u></u>		<u><u>497,938</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		150		150
Share premium account	12		64,950		64,950
Profit and loss account	12		427,316		432,838
SHAREHOLDERS' FUNDS			<u><u>492,416</u></u>		<u><u>497,938</u></u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2006 and of its profit for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

BAKER & NISBET LTD

**BALANCE SHEET (continued)
AS AT 31 MARCH 2006**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26TH JANUARY 2007

A. J. Baker

Mr A J Baker
Director

The notes on pages 5 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	not provided
Plant & machinery etc	-	25% and 15% on reducing balance

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

BAKER & NISBET LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

2. OPERATING PROFIT

The operating profit is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets:		
- owned by the company	11,225	5,575
- held under finance leases	13,050	14,035
Directors' emoluments	274,066	77,146
Pension costs	28,000	-
	<u> </u>	<u> </u>

3. TAXATION

	2006 £	2005 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profits of the year	19,000	61,125
Adjustments in respect of prior periods	42,000	-
	<u> </u>	<u> </u>
TOTAL CURRENT TAX	<u>61,000</u>	<u>61,125</u>
DEFERRED TAX (see note 10)		
Origination and reversal of timing differences	-	4,474
	<u> </u>	<u> </u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>61,000</u>	<u>65,599</u>

BAKER & NISBET LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Total £
COST			
At 1 April 2005	160,000	178,040	338,040
Additions	-	13,514	13,514
Disposals	-	(19,247)	(19,247)
At 31 March 2006	<u>160,000</u>	<u>172,307</u>	<u>332,307</u>
DEPRECIATION			
At 1 April 2005	-	47,015	47,015
Charge for the year	-	24,275	24,275
On disposals	-	(12,347)	(12,347)
At 31 March 2006	<u>-</u>	<u>58,943</u>	<u>58,943</u>
NET BOOK VALUE			
At 31 March 2006	<u>160,000</u>	<u>113,364</u>	<u>273,364</u>
At 31 March 2005	<u>160,000</u>	<u>131,025</u>	<u>291,025</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2006 £	2005 £
Other fixed assets	<u>63,975</u>	<u>80,095</u>

5. STOCKS

	2006 £	2005 £
Raw materials	1,455,656	1,465,843
Work in progress	889,392	335,293
	<u>2,345,048</u>	<u>1,801,136</u>

BAKER & NISBET LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

6. DEBTORS

	2006	2005
	£	£
Trade debtors	1,329	247,995
Other debtors	18,137	28,216
	<u>19,466</u>	<u>276,211</u>

**7. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006	2005
	£	£
Bank loans and overdrafts	948,607	442,523
Net obligations under finance leases and hire purchase contracts	18,720	15,987
Trade creditors	222,849	167,092
Corporation tax	61,000	61,125
Social security and other taxes	97,916	38,486
Other creditors	253,057	200,650
	<u>1,602,149</u>	<u>925,863</u>

**8. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2006	2005
	£	£
Other loans	559,458	962,051
Net obligations under finance leases and hire purchase contracts	7,364	26,093
	<u>566,822</u>	<u>988,144</u>

9. SECURED LIABILITIES

	2006	2005
	£	£
Net obligations under finance leases and hire purchase contracts	26,083	42,080
Loans	1,481,983	1,404,574
	<u>1,508,066</u>	<u>1,446,654</u>

BAKER & NISBET LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006**

10. DEFERRED TAXATION

	2006 £	2005 £
At 1 April 2005 and 31 March 2006	<u>10,940</u>	<u>10,940</u>

The provision for deferred taxation is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	<u>10,940</u>	<u>10,940</u>

11. SHARE CAPITAL

	2006 £	2005 £
AUTHORISED		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
150 Ordinary shares of £1 each	<u>150</u>	<u>150</u>

12. RESERVES

	Share premium account £	Profit and loss account £
At 1 April 2005	64,950	432,838
Profit retained for the year		54,478
Dividends: Equity capital		(60,000)
At 31 March 2006	<u>64,950</u>	<u>427,316</u>

13. DIVIDENDS

	2006 £	2005 £
Dividends paid on equity capital	<u>60,000</u>	<u>90,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006

14. TRANSACTIONS WITH DIRECTORS

During the year the following transactions took place:

The company sold plot 23 Blenheim Close, West Row to Mr A J Baker and Mr N D Pettit for £145,000.

The company carried out work on behalf of Mr N D Pettit for £215,477.

The above transactions were carried out under normal commercial terms.

Included within Note 7 in Other creditors are Directors Loan accounts for Mr A J Baker and Mr N D Pettit amounting to £28,288 and £58,706 respectively. These loans attracted interest of £2,641 and £3,024 respectively.

15. RELATED PARTY TRANSACTIONS

During the year the following related party transactions took place:

The company carried out work for Chilterns Limited, a company in which Mr A J Baker and Mr N D Pettit are directors, amounting to £5,618 (2005: £20,567). The company also paid commission to Chilterns amounting to £5,500 (2005: £nil).

The company carried out work for Venture Contract Lighting Limited, a company owned by Mr N D Pettit and Mr P S Jackson (a shareholder of Baker Nisbet Limited), amounting to £42,159 (2005: £nil).

The above transactions were carried out under normal commercial terms.