

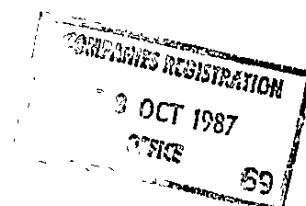
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WHAP 5/86

MOLD TARMACADAM COMPANY LIMIED

DIRECTORS' REPORT AND ACCOUNTS

for the year ended  
30 June 1986



MOLD TARMACADAM COMPANY LIMITED

DIRECTORS

N.J. Nolan  
T.B.M. Holcroft  
E.C. McCarthy  
F.S.C. Manson  
J.R. Taylor

SECRETARY

A.L.J. Thomas

REGISTERED OFFICE

Pioneer House  
Northolt Road  
South Harrow  
Middlesex HA2 0EY

AUDITORS

Binder Hamlyn  
8 St. Bride Street  
London EC4A 4DA

BANKERS

Lloyds Bank Plc

MOLD TARMACADAM COMPANY LIMITED

REPORT OF THE DIRECTORS  
for the year ended 30 June 1986

The directors present their report and accounts for the year ended 30 June 1986.

1. PRINCIPAL ACTIVITY

The principal activity of the company is the exploitation and sale of aggregates.

2. RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend.

3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

There was an increase in demand for the Company's products during the year leading to the improved profit result.

4. DIRECTORS

The directors of the company during the year ended 30 June 1986 were:-

N.J. Nolan  
F.S.C. Manson  
E.C. McCarthy  
T.B.M. Holcroft  
J.R. Taylor

None of the directors had, at 30 June 1986 or 1 July 1985, a notifiable interest in the shares or debentures of the company or its holding companies.

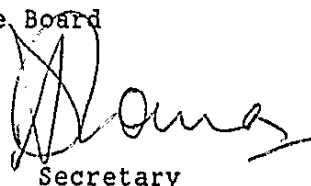
5. FIXED ASSETS

Details of changes in fixed assets are set out in note 5 to the accounts.

6. AUDITORS

Binder Hamlyn offer themselves for re-appointment in accordance with Section 384(1) Companies Act 1985.

By Order of the Board



Secretary

5 December 1986

REPORT OF THE AUDITORS TO THE MEMBERS OF  
MOLD TARMACADAM COMPANY LIMITED

We have audited the financial statements on pages 4 to 12 in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared on the basis of the accounting policies set out on page 7, give a true and fair view of the state of affairs of the company at 30 June 1986 and of the profit and source and application of funds of the company for the year then ended and comply with the Companies Act 1985.

*Brian Hardy*

5 December 1986

Chartered Accountants



MOLD TARMACADAM COMPANY LIMITEDPROFIT AND LOSS ACCOUNT  
for the year ended 30 June 1986

	<u>Notes</u>	<u>1986</u> £	<u>1985</u> £
Turnover		1,414,771	1,013,126
Change in stocks of finished goods		(12,664)	2,602
Other operating income		<u>765</u>	<u>-</u>
		<u>1,402,872</u>	<u>1,015,728</u>
Raw materials and consumables		(10,437)	(92,883)
Other external charges		(189,164)	(175,845)
Staff costs	3	(138,479)	(117,614)
Depreciation		(173,610)	(150,106)
Other operating charges		<u>(646,042)</u>	<u>(338,273)</u>
		<u>(1,157,732)</u>	<u>(874,721)</u>
Profit on ordinary activities before taxation	2	245,140	141,007
Tax charge on profit on ordinary activities	4	<u>116,006</u>	<u>47,241</u>
Profit on ordinary activities after taxation transferred to reserves	11	£ <u>129,134</u> =====	£ <u>93,766</u> =====

MOLD TARMACADAM COMPANY LIMITEDBALANCE SHEET AT 30 JUNE 1986

	<u>Notes</u>	<u>1986</u>		<u>1985</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5	1,158,889		1,193,193	
CURRENT ASSETS					
Stocks	6	32,036		44,700	
Debtors	7	265,073		659,923	
Cash at bank and in hand		<u>351</u>		<u>400</u>	
		297,460		705,023	
CREDITORS (amounts due within one year)	8	(803,739)		(1,331,018)	
NET CURRENT LIABILITIES			(506,279)		(625,995)
TOTAL ASSETS LESS CURRENT LIABILITIES			652,610		567,198
PROVISION FOR LIABILITIES AND CHARGES	9		(242,512)		(286,234)
NET ASSETS			£ 410,098		£ 280,964
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	10		6,404		6,404
Revaluation reserve	11		187,792		196,792
Profit and loss account	11		<u>215,902</u>		<u>77,768</u>
			£ 410,098		£ 280,964
			=====		=====

Signed on behalf of the Board

 ,  
 , Directors

MOLD TARMACADAM COMPANY LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the year ended 30 June 1986

	<u>1986</u> £	<u>1985</u> £
Funds generated by operations:		
Profit from ordinary activities	245,140	141,007
Net adjustments to fixed assets	<u>173,610</u>	<u>150,106</u>
Total generated from operations	418,750	291,113
Group relief (paid)/received	<u>(159,728)</u>	<u>197,408</u>
Net funds generated from operations	£259,022 =====	£488,521 =====
Tangible fixed assets acquired	95,479	305,021
Group transfers of fixed assets	63,417	(17,474)
Government grants received	(18,000)	(263,168)
Disposal proceeds	<u>(1,590)</u>	<u>(272)</u>
	<u>139,306</u>	<u>24,107</u>
Additional (reduced) working capital:		
Stocks	(12,664)	2,602
Debtors	(394,850)	571,799
Creditors (excluding bank overdraft)	<u>715,195</u>	<u>(109,837)</u>
	<u>307,681</u>	<u>464,564</u>
Total funds applied	<u>446,987</u>	<u>488,671</u>
External finance required	£187,965 =====	£ 150 =====
External finance	£187,965	£ 150
Decrease in liquid funds	=====	=====

MOLD TARMACADAM COMPANY LIMITEDNOTES TO THE ACCOUNTS  
for the year ended 30 June 1986

## 1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts.

## (a) Accounting Convention

These accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

## (b) Depreciation

Depreciation and amortisation is provided on a straight line basis so as to write the fixed assets off over their estimated useful lives, at the following rates:-

Short leaseholds	-	over period of the lease
Plant and equipment - fixed	-	15% per annum
- mobile	-	20% per annum
Motor vehicles	-	20% per annum

## (c) Depletion

Depletion on mineral bearing land is provided on the basis of aggregates extracted, to write the assets down to residual value over their useful lives.

## (d) Stocks

Stocks are stated at the lower of cost on a first in first out basis, and net realisable value.

## (e) Deferred Taxation

Provision is made for deferred taxation, at the current rate, to the extent that the directors are of the opinion that a liability is likely to crystallise in the foreseeable future.

## 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1986</u> £	<u>1985</u> £
After charging:		
Hire of plant and machinery	33,098	7,380
Group management charges	90,000	101,996
	=====	=====



MOLD TARMACADAM COMPANY LIMITED

8.

NOTES TO THE ACCOUNTS  
for the year ended 30 June 1986  
(continued)

3. DIRECTORS' EMOLUMENTS AND PARTICULARS OF EMPLOYEES

None of the directors received any emoluments for their services as directors of the company.

The average number of persons employed by the company during the year was:

	<u>1986</u>	<u>1985</u>
Production and sales staff	<u>13</u> =====	<u>13</u> =====
Staff costs were:	£	£
Wages and salaries	125,701	106,478
Social security costs	<u>12,778</u>	<u>11,136</u>
	<u>£138,479</u> =====	<u>£117,614</u> =====

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge comprises:-

	<u>1986</u> £	<u>1985</u> £
U.K. Corporation tax at 38.75% (1985 43.75%)	-	-
Group relief at 35% (1985 35%)	159,728	-
Prior year adjustment - group relief	-	(197,408)
Transfer (from)/to deferred taxation	<u>(43,722)</u>	<u>244,649</u>
	<u>£116,006</u> =====	<u>£ 47,241</u> =====

NOTES TO THE ACCOUNTS  
for the year ended 30 June 1986  
(continued)

## 5. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Short leasehold properties	Plant and equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 July 1985	-	298,073	1,273,508	13,609	1,585,190
Additions	57,481	-	24,167	13,831	95,479
Transfers from group companies	63,417	-	-	-	63,417
Disposals	-	-	(270)	(8,391)	(8,661)
Regional development grants	-	-	(18,000)	-	(18,000)
At 30 June 1986	<u>120,898</u>	<u>298,073</u>	<u>1,279,405</u>	<u>19,049</u>	<u>1,717,425</u>
Depreciation and amortisation					
At 1 July 1985	-	27,590	357,128	7,279	391,997
Charge for the year	14	15,237	154,438	3,921	173,610
Transfer from group companies	-	-	-	-	-
Disposals	-	-	(130)	(6,941)	(7,071)
At 30 June 1986	<u>14</u>	<u>42,827</u>	<u>511,436</u>	<u>4,259</u>	<u>558,536</u>
Net book value					
At 30 June 1986	<u>£120,884</u>	<u>£255,246</u>	<u>£767,969</u>	<u>£14,790</u>	<u>£1,158,889</u>
At 30 June 1985	<u>£ -</u>	<u>£270,483</u>	<u>£916,380</u>	<u>£ 6,330</u>	<u>£1,193,193</u>

The cost or valuation for short leasehold properties is represented by:-

	£
Valuation in 1983	217,000
At historical cost	<u>81,073</u>
	<u>£298,073</u>

Other tangible fixed assets are stated at cost.

Short leasehold properties were revalued on the basis of an open market valuation for existing use at 30 June 1983. If the short leasehold land and buildings had not been revalued they would have been included at the following amounts:

	£
Cost	88,091
Depreciation based on cost	<u>26,123</u>
Net book value	<u>£61,968</u>

MOLD TARMACADAM COMPANY LIMITED

NOTES TO THE ACCOUNTS  
for the year ended 30 June 1986  
(continued)

6. STOCKS	<u>1986</u>	<u>1985</u>
Finished goods and goods for resale	£32,036 =====	£44,700 =====
7. DEBTORS	<u>1986</u>	<u>1985</u>
	£	£
Trade debtors	193,572	97,895
Amounts owed by group companies	41,157	290,529
Other debtors	30,158	265,359
Prepayments and accrued income	<u>186</u>	<u>6,140</u>
	£265,073 =====	£659,923 =====
8. CREDITORS (amounts due within one year)	<u>1986</u>	<u>1985</u>
	£	£
Bank overdraft	187,916	-
Trade creditors	148,195	57,182
Amounts owed to group companies	253,265	1,165,755
Other taxes and social security	9,212	-
Accruals and deferred income	<u>205,151</u>	<u>108,081</u>
	£803,739 =====	£1,331,018 =====
9. PROVISION FOR LIABILITIES AND CHARGES		
	Deferred taxation £	
At 1 July 1985	286,234	
Transfer to profit and loss account	<u>(43,722)</u>	
At 30 June 1986	£242,512 =====	

NOTES TO THE ACCOUNTS  
for the year ended 30 June 1986  
(continued)

## 9. PROVISION FOR LIABILITIES AND CHARGES (CONTINUED)

Details of the potential and amount provided for deferred taxation are set out below:

	<u>1986</u>		<u>1985</u>	
	<u>Potential</u>	<u>Provided</u>	<u>Potential</u>	<u>Provided</u>
	£	£	£	£
Excess of tax allowances over depreciation charged	348,861	348,861	373,680	373,680
On revaluation surplus	63,700	-	65,800	-
Other timing differences	(48,686)	(48,686)	(40,690)	(40,690)
Tax losses carried forward	<u>(37,663)</u>	<u>(37,663)</u>	<u>(46,756)</u>	<u>(46,756)</u>
	£306,212	£242,512	£352,034	£286,234
	=====	=====	=====	=====

## 10. CALLED UP SHARE CAPITAL

1985 and 1986

Authorised:

Ordinary shares of £1 each

£7,000  
=====

Allotted and fully paid:

Ordinary shares of £1 each

£6,404  
=====

## 11. RESERVES

	<u>Revalu- ation reserve</u>	<u>Profit and Loss account</u>
	£	£
At 1 July 1985	196,792	77,768
Profit for the year	-	129,134
Transfer of depletion charge attributable to unrealised surplus on fixed asset revaluation	<u>(9,000)</u>	<u>9,000</u>
At 30 June 1986	£187,792	£215,902
	=====	=====

No provision has been made for the additional taxation which would accrue if the land and buildings were disposed of at their revalued amounts. The potential liability is disclosed in note 9.

MOLD TARMACADAM COMPANY LIMITED

NOTES TO THE ACCOUNTS  
for the year ended 30 June 1986  
(continued)

## 12. CONTINGENT LIABILITIES

The company has guaranteed amounts owing to the ultimate holding company by Pioneer Concrete (Holdings) Limited and certain other fellow subsidiaries.

The company is also party to a cross guarantee in respect of a bank account in the name of Pioneer Concrete Group. At 30 June 1986 this account was overdrawn in the group's book to the extent of £638,690 (1985 £132,283).

## 13. ULTIMATE HOLDING COMPANY

Pioneer Concrete Services Limited (incorporated in Australia) is regarded by the directors as the ultimate holding company.

## 14. APPROVAL OF ACCOUNTS

These accounts were approved at a directors' meeting held on 5 December 1986.