

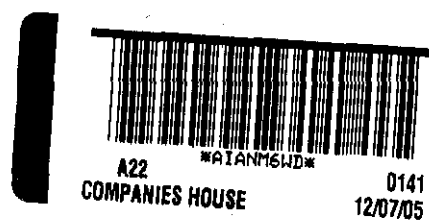
**THE MASTIC ASPHALT COUNCIL LIMITED**

**(LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> JANUARY 2005**

**Registered Number 944387**



**REPORT OF THE MEMBERS OF THE BOARD FOR THE YEAR ENDED 31ST JANUARY 2005** to be submitted to the Annual General Meeting to be held on Friday, 17<sup>th</sup> June 2005.

1. MEMBERS OF THE BOARD

The following members have served as Board members and thereby as Directors of the Company during the year ended 31st January 2005:

Mr K C Knight	Chairman
Mr N J Taylor	Vice-Chairman
Mr M Bonney (part)	
Mr K Collins	
Mr I Deacon	
Mr E Holder	
Mr G MacQueen	
Mr D Maginnis	
Mr G M Mann	
Mr V O'Malley	
Mr C Mitchell	
Mr R Webber	

2. ACCOUNTS

The Company submit the audited accounts of the Council for the year ended 31st January 2005, together with the Directors' and Auditors' reports thereon. In so doing, they offer the following observations:

a) Status of Company

The Council is a non-profit making company limited by guarantee; it accordingly has no share capital and declares no dividend.

b) Activities

A detailed review of the Council's activities during the year ended 31st January 2005 is given in this report, but generally continues to comprise representation of the industry in legislative, contractual, standardisation, technical, training and other matters, including acting as the Employers' Side of the National Joint Council for the Laying Side of the Mastic Asphalt Industry.

c) Land and Buildings

The Council owns no land or buildings.

d) Research & Development

There is a continued programme of research into various applications and uses of mastic asphalt and associated products by the MAC Technical Committee.

e) Political and Charitable Contributions

The Council has made no political or charitable contributions during the year.

f) Directors' Remuneration

The Articles of Association preclude Board members of the Council from receiving any remuneration.

g) Auditors

Messrs D Beales & Co (the appointed auditors) has produced this year's accounts.

h) General Observations

Income to finance, the Council's activities continues to be derived from members' and associate members' subscriptions. Promotional activities are financed by income levied from manufacturing members.

3. COUNCIL MEMBERSHIP

The membership of the Council continues to grow with active interest throughout all regions.

4. STAFF AND OFFICES

Staff comprise the Director/Secretary and Administration P.A.

The Council continues to operate from its offices at PO Bo 77, Hastings, East Sussex TN35 4WL.

5. GENERAL REVIEW OF ACTIVITIES

Manufacturing production statistics have remained stable during the last 12 months.

6. GUARANTEE SCHEME

Mr Seth Jee of Insurance Intermediary Resource has administered MAC's insurance-backed guarantee scheme during the past year.

7. MAC MEMBERSHIP SUPPORT & PROMOTION

During the past 12 months Communique, our marketing & P.R. company, have emphasised a credibility associated with MAC membership. This message has been broadcast to specifiers and various users of mastic asphalt via journal editorial and the advertising media. This, it is felt, is vital in the current situation where credibility plays a major role in contractor and specification selection.

8. REPRESENTATION ON EXTERNAL COMMITTEES

The Council continues to be represented on the committees of numerous other organisations, including the British Standards Institution, the Construction Industry Training Board, the City & Guilds of London Institute and the National Specialist Contractors Council (NSCC). The Council is also represented on a number of European Committees dealing with mastic asphalt waterproofing, flooring and paving.

The Board of Directors once again wishes to express its appreciation for the time and interest devoted to these activities by the representatives serving on the various committees.

9. BRITISH STANDARDS INSTITUTION

The committees continue to progress their work in various activities not least in providing a link with CEN works. These are as follows :

B/546/6 - Mastic Asphalt Flooring

B/546/7 - Mastic Asphalt Roofing

B/510/1 - Mastic Asphalt Paving

# 10. CEN

The works of CEN TC/314 have now resulted in the production of a European Standard BSEN12970 for "mastic asphalt waterproofing" - definitions, requirements and test methods. This Standard will eventually replace BS.6925 R988 and BS.6925 T1097. This remains a Voluntary Standard and to date the European Mastic Asphalt Association is currently considering continuing these works in order that a full European Standard may be achieved. This will enable mastic asphalt to receive a CE mark.

The work of CEN TC/227 (paving) and CEN TC/303 (flooring) continues; the development of a Paving Standard is now in process. MAC's involvement to date has been limited to works via the relevant BSI Committees.

# 11. CONSTRUCTION INDUSTRY TRAINING BOARD

The CITB, whilst continuing to provide craft training, endeavours to provide management training courses. However, there appears to be a lack of support for such courses and therefore the continuation of this provision must be in doubt. With regard to craft training, recruitment numbers in London are quite good. Unfortunately, the Manchester course is not so well supported. The MAC NVQ Level 3 Achievement Award of £1000.00 per trainee has encouraged trainees to continue their education to this standard.

# 12. NATIONAL SPECIALIST CONTRACTORS COUNCIL

## a) Activities

The NSCC continues to maintain its role in representing specialist contractors under Chief Executive Suzannah Nichol and provides invaluable and numerous support services i.e. specialist assistance with contract and legal queries; Health & Safety advice/assistance; industrial relations queries; contract management/quantity surveying problems; credit check line. All the above-mentioned services are provided by independent specialist organisations. Over the past 12 months the NSCC continues to lobby the Government on issues such as insurance, payments, retentions and general issues concerning specialist contractors.

## b) Finance

The NSCC operates on a closely controlled budget under Chief Executive Suzannah Nichol. However, the organisation continues to grow but the increased activity has resulted in elevated subscription levels.

## c) Officers

Mr G Wren -President  
Mr P Rogerson - Senior Vice-president  
Mr S Bottomley - Junior Vice-president  
Mr G Simcock - Treasurer.

## d) Committees

Various committees are active within the NSCC structure, namely Training, Contracts, European Affairs, Health & Safety and the Scottish Committee.

## e) Parliamentary Activities

The NSCC continue to maintain links with Ministers via various external bodies.

13. EUROPEAN MASTIC ASPHALT ASSOCIATION

The 2004 General Meeting of the EMAA was held in Marseille on the 30<sup>th</sup> September and 1<sup>st</sup> October. The Conference was again well supported by UK delegates. This year's Conference will be held on the 13<sup>th</sup>/14<sup>th</sup> October in Milan.

14. TECHNICAL COMMITTEE

The Technical Committee, chaired by Mr B Haymes, discusses all aspects of mastic asphalt application together with various research issues concerning bridge deck waterproofing, flooring and carriageway repairs.

15. TECHNICAL ADVISORY SERVICE

The technical advisory service remains very popular – we receive approximately 50 telephone enquiries per week. The website is also well visited for both member details and technical information. The number of daily visits to the website averages 20-30.

16. NATIONAL JOINT COUNCIL LAYING SIDE

The Employers' representatives on the NJC meet under the Chairmanship of Mr G M Mann. The Committee continues its role in negotiations with the operatives' representatives of the T&GWU.

17. NATIONAL JOINT APPRENTICESHIP AND MANPOWER COMMITTEE

This Committee has not met during the past year.

18. MEMBERS' CONTRIBUTION TO THE WORK OF THE COUNCIL

MAC Board of Directors once again wishes to express its appreciation for member companies' interest in the continued activities of the Council; the considerable time and energy given by member companies and their personnel has enabled the Council to progress and develop its representation on external committees.

Membership details of the Council's committees and external committee representation are detailed in Appendix A.

Date : 3 May 2005

By Order of the  
Board of Directors



J K Blowers  
Director & Secretary

**COMMITTEE MEMBERSHIP AND REPRESENTATION ON OUTSIDE BODIES  
AS AT 31ST JANUARY 2005**

**COUNCIL**

Mr K C Knight (Chairman)  
Mr N J Taylor (Vice-chairman)  
Mr M Bonney (part)  
Mr K Collins  
Mr I Deacon  
Mr E Holder  
Mr G MacQueen  
Mr D Maginnis  
Mr G M Mann  
Mr V O'Malley  
Mr C Mitchell  
Mr R Webber

**TECHNICAL COMMITTEE**

Mr B Haymes (Chairman)  
Mr J Blowers  
Mr K Knight  
Mr N Taylor  
Mr R Webber  
Mr M Smith

**PROMOTION COMMITTEE**

Mr K Knight  
Mr J K Blowers  
Mr I Deacon  
Mr E Holder  
Mr N J Taylor

**N.S.C.C.**

**Council**

Mr J K Blowers  
Mr K C Knight

**NSCC European Committee**

Mr J K Blowers

**Training Committee**

Mr J K Blowers

**NJC FOR THE LAYING SIDE OF  
THE MASTIC ASPHALT INDUSTRY**

Mr G M Mann (Chairman)  
Mr I Deacon  
Mr R Webber

**FINANCE COMMITTEE**

Mr K C Knight (Chairman)  
Mr N J Taylor  
Mr J K Blowers

**C.L.T.B.**

**Kent/Surrey/Sussex  
Advisory Committee**

Mr J K Blowers

**Regional Apprentice Officers**

Mr I Deacon (Midlands)

**APPENDIX B****BRITISH STANDARDS INSTITUTION**

B/-/- Construction Industry Annual Assembly

Mr J K Blowers

B/510/1 Coated MacAdam and Hot Asphalt (Including BS1447)

Mr J K Blowers

B/544/6 Screeds & In Situ Floorings

To be nominated (Mr J K Blowers/correspondence)

B/546/7 Asphalt for Building Purposes

Mr J K Blowers

FSM/22/8 External Fire Exposure to Roof Tests

Mr J K Blowers

CEN/TC/303

To be nominated (Mr J K Blowers/correspondence)

CEN/TC/314

Mr J K Blowers

Mr B Haymes

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
THE MASTIC ASPHALT COUNCIL LIMITED  
(LIMITED BY GUARANTEE)**

We have audited the financial statements for the year ended 31<sup>st</sup> January 2005 set out on pages 2 to 6 which have been prepared in accordance with the Reporting Standards for Smaller Entities (effective June 2002) and the accounting policies set out on page 4.

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 AUDITOR**

As described in the Statement of Directors Responsibilities on page 6, the company's directors are 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 Directors' 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF 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 judgments made by the directors in the preparation of the financial statements, and 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.

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31<sup>st</sup> January 2005 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Bearles sb*  
**BEALES & CO**  
Chartered Accountants  
Registered Auditor

**Oaken Coppice, Bears Den  
Kingswood, Surrey, KT20 6PL**

17th June 2005



**THE MASTIC ASPHALT COUNCIL LIMITED  
(LIMITED BY GUARANTEE)**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31<sup>ST</sup> JANUARY 2005**

	NOTES	2005	2004
Turnover	2	254,083	262,378
Staff Costs	4	113,007	109,088
Depreciation		3,140	4,186
Other Operating Charges		186,954	212,522
		303,101	325,796
Other Operating Income	2	(49,018) 92	(63,418) 114
Operating Profit (Loss)		(48,926)	(63,304)
Deposit Interest		6,389	5,701
(Loss) Profit on ordinary activities before Taxation		(42,537)	(57,603)
Corporation Tax	1	-	-
(Loss) Profit After Taxation		(42,537)	(57,603)
Retained Surplus brought forward		264,499	322,102
Retained Surplus Carried Forward		£221,962	£264,499

**Continuing operations**

All the company's activities in the above two financial years derived from continuing operations.

**Total recognised gains and losses**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

**THE MASTIC ASPHALT COUNCIL LIMITED**  
(LIMITED BY GUARANTEE)

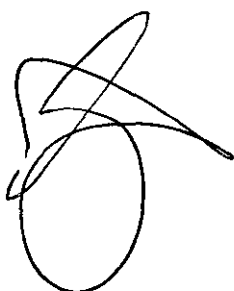
**BALANCE SHEET AS AT 31<sup>ST</sup> JANUARY 2005**

	NOTES	2005	2004
<b>FIXED ASSETS</b>			
Tangible Assets	7	9,419	12,559
<b>CURRENT ASSETS</b>			
Debtors	5	38,832	36,637
Cash		268,732	286,011
		<hr/>	<hr/>
		307,564	322,648
<b>CREDITORS</b>			
Due within one year	6	(95,021)	(70,708)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		212,543	251,940
		<hr/>	<hr/>
<b>NET ASSETS</b>		£221,962	£264,499
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Retained Surplus		£221,962	£264,499
		<hr/>	<hr/>

The accounts are prepared in accordance with the special provisions of part V11 of the Companies Act 1985 relating to small companies.

The Council approved these financial statements on 17<sup>th</sup> June 2005

K E KNIGHT  
Director



**THE MASTIC ASPHALT COUNCIL LIMITED**  
(LIMITED BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> JANUARY 2005**

**1. ACCOUNTING POLICIES**

**Accounting Convention**

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

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates to write off the cost of each asset less estimated realisable value over its useful life, as follows:

Motor Car	25% on reducing balance
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**Pension Costs**

Contributions are charged to the profit and loss account in the year they are paid to the scheme.

**Taxation**

Corporation Tax is provided on income received from third parties, as the Company is not taxed on income received from its members as this is treated as mutual trading.

**Deferred Tax**

As the company is not liable to tax on its income deferred tax does not arise.

**Cash Flow**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

**Turnover**

Turnover represents the invoiced amount of subscriptions and levies from members and sales of literature.

**2. OTHER OPERATING PROFIT**

	<b>2005</b>	<b>2004</b>
Royalties Received	92	114
	<hr/>	<hr/>
	£92	£114
	<hr/>	<hr/>

**3. STAFF COSTS**

Wages, salaries and benefits	102,631	98,698
Social Security costs	10,396	10,390
	<hr/>	<hr/>
	£113,007	£109,088
	<hr/>	<hr/>

Administration Staff	2	2
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**4. OPERATING SURPLUS**

This is stated after charging:

Auditors remuneration	1,980	1,980
Depreciation	3,140	4,186

**THE MASTIC ASPHALT COUNCIL LIMITED**  
**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> JANUARY 2005**

	<b>2005</b>	<b>2004</b>
<b>5. DEBTORS</b>		
Manufacturing Levy Outstanding	27,729	23,537
Subscriptions Outstanding	1,685	-
Debtors	7,518	11,200
Prepayments	1,900	1,900
	<hr/>	<hr/>
	£38,832	£36,637
	<hr/>	<hr/>
<b>6. CREDITORS due within one year</b>		
Accruals	5,570	3,607
Management Training Levy – Prepaid Income	89,451	67,101
	<hr/>	<hr/>
	£95,021	£70,708
	<hr/>	<hr/>
<b>7. TANGIBLE FIXED ASSETS</b>		<b>MOTOR</b>
<b>COST</b>		
1 <sup>st</sup> February 2004		20,609
		<hr/>
31 <sup>st</sup> January 2005		£20,609
		<hr/>
<b>DEPRECIATION</b>		
1 <sup>st</sup> February 2004		8,050
Charge for the year		3,140
		<hr/>
31 <sup>st</sup> January 2005		£11,190
		<hr/>
<b>NET BOOK VALUE</b>		
31 <sup>st</sup> January 2005		£9,419
		<hr/>
1 <sup>st</sup> February 2004		£12,559
		<hr/>

**THE MASTIC ASPHALT COUNCIL LIMITED  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> JANUARY 2005**

<b>8. MEMBERS FUNDS</b>	<b>2005</b>	<b>2004</b>
Reconciliation of movement on members' funds		
(Loss) Profit for the year after tax	(42,537)	(57,603)
Opening funds at 1 <sup>st</sup> February 2004	264,499	322,102
	—	—
Closing funds at 31 <sup>st</sup> January 2005	£221,962	£264,499
	—	—

9. Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- Observe applicable standards,
- Prepare the financial statements on a going concern basis.

The directors are responsible for ensuring the keeping of proper accounting records that disclose with reasonable accuracy the financial position of the company and the safeguarding of its assets.

**10. MANUFACTURING LEVY**

The levy included in the accounts is based on the tonnage returns for the year ended 31<sup>st</sup> December 2004.

**11. GUARANTEE**

The guarantee of each member is to pay up to £5 towards the liabilities (if any) on the winding up of the Company.

Any surplus funds held at that time would be transferred to other Institutions having similar objects.