

**THE MASTIC ASPHALT COUNCIL LIMITED**

**(LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> JANUARY 2002**

**Registered Number 944387**



**REPORT OF THE MEMBERS OF THE BOARD FOR THE YEAR ENDED 31ST JANUARY 2002** to be submitted to the Annual General Meeting to be held on Friday, 14th June 2002.

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 2002 :

Mr B J Abbott	Chairman
Mr K C Knight	Vice-Chairman
Mr D A Cooney	
Mr B B Dyson	
Mr B Haymes	
Mr E Holder	
Mr G M Mann	
Mr D A Millman	
Mr P J Regis	
Mr A L Speroni	
Mr N J Taylor	
Mr R Webber	

2. ACCOUNTS

The Company submit the audited accounts of the Council for the year ended 31st January 2002, 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 2002 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

Board members, as Directors of the Council, are precluded by the Articles of Association from receiving any remuneration and have received none in the current year.

g) Auditors

Messrs D Beales & Co (the appointed auditors) have 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 continued to operate from its offices at Claridge House, 5 Elwick Road, Ashford TN23 1PD.

5. GENERAL REVIEW OF ACTIVITIES

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

6. GUARANTEE SCHEME

The RCW Decennial Latent Defects Scheme has been operated by Mr Seth Jee of Insurance Intermediary Resource on behalf of MAC during the past year.

7. MAC PROMOTION OF THE MEMBERSHIP AND POLYMER MODIFIED MATERIALS

The programme of promotion continues with regard to the use of mastic asphalt in conjunction with MAC members. The publication of various brochures included a brochure on MAC and the quality of its membership. These brochures are available for company circulation. The popularity of technical seminars continues with approximately 35 being carried out during the past year.

As ever the Council is eager to receive information on topical subjects for promotion purposes which may be used as promotional material and inserted into the various trade journals. A constant supply of case study material is essential in maintaining the specifier's awareness of mastic asphalt applications.

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 has decided against proceeding to a full European Standard.

The work of CEN TC/227 (paving) and CEN TC/303 (flooring) continues at a very slow rate as far as mastic asphalt is concerned. 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) has introduced structured management training courses based in their London and Birmingham training centres. The number of craft trainees currently employed in the industry does not support present-day activity and the long-term effect of this shortage is cause for concern. It is hoped that the Training CD ROM recently produced and circulated will greatly improve recruitment into the industry.

12. NATIONAL SPECIALIST CONTRACTORS COUNCIL

a) Activities

The NSCC continues to maintain its role in representing specialist contractors under the Directorship of Mr G Welch 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.

b) Finance

The NSCC operates on a closely controlled budget under the Directorship of Mr G Welch.

c) Officers

Mr M Fitchett -President

Mr M Ryan - Senior Vice-president

Mr P Rogerson - Junior Vice-president

Mr W Jenkins MBE - 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 2001 General Meeting of the EMAA was held in Scheveningen, Holland in October and was well supported by UK delegates. The 2002 Conference will take place in Antwerp, Belgium on the 17<sup>th</sup> and 18<sup>th</sup> October.

14. TECHNICAL COMMITTEE

The Technical Committee continues to meet under the Chairmanship of Mr B Haymes and discusses all aspects of mastic asphalt application together with the various topics arising from BSI/CEN committee representation.

15. TECHNICAL ADVISORY SERVICE

This service has been provided by the Director for the past 12 months. This essential element of mastic asphalt promotion deals with approximately 60 enquiries per week.

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.

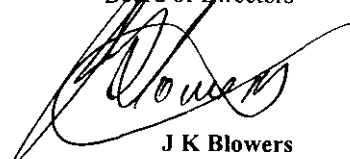
18. MEMBERS' CONTRIBUTION TO THE WORK OF THE COUNCIL

MAC Board of Directors again wish to express their appreciation for the interest displayed by member companies, and the considerable amount of time that they and their staff have given in order to develop and progress the activities of the Council, both on its central Standing Committees and at regional and national levels.

Details of the membership of the Council's committees and representation on external committees are given in the Appendix.

Date : 10 May 2002

By Order of the  
Board of Directors



J K Blowers  
Director & Secretary

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

We have audited the accounts set out on pages 2 to 6 that have been prepared under the historical cost convention and the accounting policies set out on page 4.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described on page 6, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts give a true and fair view of the state of the company's affairs at 31<sup>st</sup> January 2002 and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.

*Beales & Co*

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

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

*14<sup>th</sup> June 2002*

**THE MASTIC ASPHALT COUNCIL LIMITED**

**(LIMITED BY GUARANTEE)**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31<sup>ST</sup> JANUARY 2002**

	<b><u>NOTES</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Turnover	2	276,768	275,696
		<hr/>	<hr/>
Staff Costs	4	104,557	100,942
Depreciation		3,333	10,340
Other Operating Charges		98,981	110,607
		<hr/>	<hr/>
		206,871	221,889
		<hr/>	<hr/>
		69,867	53,807
Other Operating Income	3	1,373	1,062
		<hr/>	<hr/>
Operating Profit		71,270	54,869
Deposit Interest		9,551	8,650
		<hr/>	<hr/>
Profit on ordinary activities before Taxation		80,821	63,519
Corporation Tax	6	(1,302)	(1,215)
		<hr/>	<hr/>
Profit After Taxation		79,519	62,304
Retained Surplus brought forward		220,098	157,794
		<hr/>	<hr/>
Retained Surplus Carried Forward		£299,617	£220,098
		<hr/>	<hr/>

**THE MASTIC ASPHALT COUNCIL LIMITED**

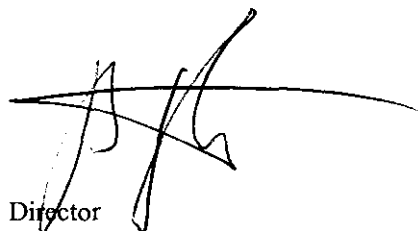
**(LIMITED BY GUARANTEE)**

**BALANCE SHEET AS AT 31<sup>ST</sup> JANUARY 2002**

	<u>NOTES</u>	<u>2002</u>	<u>2001</u>
<b>FIXED ASSETS</b>			
Tangible Assets	7	10,000	13,333
<b>CURRENT ASSETS</b>			
Debtors	8	37,379	47,014
Cash		306,395	229,018
		<hr/>	<hr/>
		343,774	276,032
<b>CREDITORS</b>			
Due within one year	9	54,157	69,267
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		289,617	206,765
		<hr/>	<hr/>
<b>NET ASSETS</b>		£299,617	£220,098
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Retained Surplus		£299,617	£220,098
		<hr/>	<hr/>

The Directors have taken advantage of the special exemptions conferred by part vii of the schedule 8 to the Companies Act 1985, applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the Council on 14<sup>th</sup> June 2002



Director



**THE MASTIC ASPHALT COUNCIL LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> JANUARY 2002**

**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

**Pension Costs**

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

**2. TURNOVER**

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

	2002	2001
<b>3. OTHER OPERATING PROFIT</b>		
Royalties Received	111	117
Commissions Received from Guarantee Scheme	1,262	945
	<hr/>	<hr/>
	£1,373	£1,062
	<hr/>	<hr/>
<b>4. STAFF COSTS</b>		
Wages, salaries and benefits	95,580	92,507
Social Security costs	8,977	8,435
	<hr/>	<hr/>
	£104,557	£100,942
	<hr/>	<hr/>
Administration Staff	2	3
<b>5. OPERATING SURPLUS</b>		
This is stated after charging:		
Auditors remuneration	1,560	1,665
Depreciation	3,333	10,340
Hire purchase interest	-	242

**THE MASTIC ASPHALT COUNCIL LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> JANUARY 2002**

<b>6. TAX ON ORDINARY ACTIVITIES</b>	<b>2002</b>	<b>2001</b>
Charge for the year	1,302	1,105
Additional tax for previous year	-	110
	<hr/>	<hr/>
	£1,302	£1,215
	<hr/>	<hr/>
<b>7. TANGIBLE FIXED ASSETS</b>		<b>MOTOR</b>
<b>COST</b>		
1 <sup>st</sup> February 2001		13,617
		<hr/>
31 <sup>st</sup> January 2002		13,617
		<hr/>
<b>DEPRECIATION</b>		
1 <sup>st</sup> February 2001		284
Charge for the year		3,333
		<hr/>
31 <sup>st</sup> January 2002		3,617
		<hr/>
<b>NET BOOK VALUE</b>		
31 <sup>st</sup> January 2002		10,000
		<hr/>
1 <sup>st</sup> February 2001		13,333
		<hr/>
<b>8. DEBTORS</b>		
Debtors & Prepayments	£ 313,79	£47,014
	<hr/>	<hr/>
<b>9. CREDITORS due after one year</b>		
Corporation Tax	1,302	1,105
Accruals	10,294	9,991
Management Training Levy	42,561	58,171
	<hr/>	<hr/>
	£54,157	£69,267
	<hr/>	<hr/>

**THE MASTIC ASPHALT COUNCIL LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> JANUARY 2002**

**10. POST BALANCE SHEET EVENTS**

The company has committed to spending the following sums

Bridgedeck Spec Testing	45,000
Technical Guide Reprints	15,000
Office Relocation Costs	5,000
Working Rule Agreement Reprint	3,000

**11. MEMBERS FUNDS**

	<b>2002</b>	<b>2001</b>
Reconciliation of movement on members' funds		
Profit for the year after tax	80,477	62,304
Opening funds at 1 <sup>st</sup> February 2001	220,098	157,794
	<hr/>	<hr/>
Closing funds at 31 <sup>st</sup> January 2002	£300,575	£220,098
	<hr/>	<hr/>

12. 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.

**13. MANUFACTURING LEVY**

The levy included in the accounts is based on the tonnage returns for the year ended 31<sup>st</sup> December 2001.