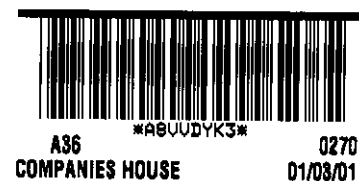

Byzak Contractors Limited
Financial Statements
for the year ended 31st October 2000



Byzak Contractors Limited

Company Information

| | |
|--------------------------|--|
| Chairman | P J Byrne |
| Directors | P J Byrne N F Hayes |
| Secretary | S P N Smith |
| Company number | 1809458 |
| Registered office | Unit 2 Unison Business Park Robson Avenue Urmston Manchester M41 7TG |
| Auditors | Lathams Sumner House St Thomas's Road Chorley Lancashire PR7 1HP |

Byzak Contractors Limited

Contents

| | Page |
|--|----------------|
| Directors' report | 1 to 2 |
| Auditors' report | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Cash flow statement | 6 |
| Notes to the financial statements | 7 to 16 |

Byzak Contractors Limited

Directors' Report

for the year ended 31st October 2000

The directors present their report and the audited financial statements for the company for the year ended 31st October 2000.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 year. In preparing those 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; and

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 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.

Principal activities and review of business

The company's principal activity during the year was civil engineering primarily in water related industries.

Results

The results for the year are set out in the profit and loss account on page 4.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the year.

Dividends

Interim dividends amounting to £231,250 were paid in the year. The directors do not recommend the payment of a final dividend.

Byzak Contractors Limited

Directors' Report

for the year ended 31st October 2000

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

| Name of director | Share type | At 31st October 2000 | At 1st November 1999 |
|------------------|--------------------|-------------------------|-------------------------|
| P J Byrne | £1 ordinary shares | 7,750 | 7,750 |
| N F Hayes | £1 ordinary shares | - | - |

The company is a 77% subsidiary of Globemile Limited.

Their beneficial interests in the share capital of the holding company, Globemile Limited, were as follows:

| Name of director | Share type | At 31st October 2000 | At 1st November 1999 |
|------------------|--------------------|-------------------------|-------------------------|
| P J Byrne | £1 ordinary shares | 2 | 2 |
| N F Hayes | £1 ordinary shares | - | - |

N F Hayes did not have any interest in the share capital of the parent undertaking, Globemile Limited at any time during the year.

Political and Charitable and Contributions

During the year payments of a charitable nature amounted to £14,315 (1999 : £11,986). There were no contributions to political organisations.

Auditors

A resolution to re-appoint Lathams as auditors will be put to the members at the Annual General Meeting.

By order of the Board



S P N Smith, Secretary

Date: 12 February 2001.

Auditors' report to the
Shareholders of Byzak Contractors Limited

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and 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 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 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 the 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 as at 31st October 2000 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lathams
Registered Auditors and Chartered Accountants
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP
Date: 12th February 2001

Byzak Contractors Limited
Profit and Loss Account
for the year ended 31st October 2000

| | Notes | 2000 £ | 1999 £ |
|--|-------|--------------|--------------|
| Turnover | | 34,700,015 | 36,286,934 |
| Cost of sales | | (28,849,399) | (32,233,492) |
| Gross profit | | 5,850,616 | 4,053,442 |
| Administrative expenses | | (2,547,605) | (1,765,359) |
| Operating profit | 2 | 3,303,011 | 2,288,083 |
| Interest receivable | | 573,000 | 449,578 |
| Interest payable and similar charges | 5 | (24,356) | (22,274) |
| Profit on ordinary activities before taxation | | 3,851,655 | 2,715,387 |
| Tax on profit on ordinary activities | 6 | (1,399,195) | (852,855) |
| Profit for the financial year | | 2,452,460 | 1,862,532 |
| Dividends | 7 | (231,250) | (231,250) |
| Retained profit for the year | | 2,221,210 | 1,631,282 |
| Retained profit brought forward | | 2,699,843 | 1,068,561 |
| Retained profit carried forward | | 4,921,053 | 2,699,843 |

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Byzak Contractors Limited

Balance Sheet

as at 31st October 2000

| | Notes | 2000 £ | 2000 £ | 1999 £ | 1999 £ |
|--|-------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 192,206 | | 461,253 |
| Investments | 9 | | 204,000 | | 204,000 |
| | | | <u>396,206</u> | | <u>665,253</u> |
| Current assets | | | | | |
| Stocks | 10 | 27,357 | | 27,357 | |
| Debtors | 11 | 2,476,289 | | 3,609,972 | |
| Cash at bank and in hand | | 8,944,728 | | 6,805,984 | |
| | | <u>11,448,374</u> | | <u>10,443,313</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(6,716,738)</u> | | <u>(8,107,652)</u> | |
| Net current assets | | | <u>4,731,636</u> | | <u>2,335,661</u> |
| Total assets less current liabilities | | | <u>5,127,842</u> | | <u>3,000,914</u> |
| Creditors: amounts falling due after more than one year | 14 | | (20,919) | | (115,201) |
| Provisions for liabilities and charges | | | | | |
| Deferred taxation | 16 | | <u>(135,870)</u> | | <u>(135,870)</u> |
| | | | <u>4,971,053</u> | | <u>2,749,843</u> |
| Capital and reserves | | | | | |
| Share capital | 17 | | 50,000 | | 50,000 |
| Profit and loss account | | | <u>4,921,053</u> | | <u>2,699,843</u> |
| Equity shareholders' funds | 18 | | <u>4,971,053</u> | | <u>2,749,843</u> |

These financial statements were approved by the board on *12 February 2001* and signed on its behalf by:

P J Byrne
N F Hayes
Directors



Byzak Contractors Limited

Cash Flow Statement

for the year ended 31st October 2000

| | Notes | 2000 £ | 1999 £ |
|--|-------|------------------|--------------------|
| Reconciliation of operating profit to net cash flow from operating activities | | | |
| Operating profit | | 3,303,011 | 2,288,083 |
| Depreciation | | 1,186,111 | 264,906 |
| Profit on sale of fixed assets | | (4,248) | (8,829) |
| Increase in stocks | | - | - |
| (Increase) in debtors | | (229,020) | (1,847,912) |
| Decrease in creditors | | (277,647) | (3,199,001) |
| Net cash inflow/(outflow) from operating activities | | <u>3,978,207</u> | <u>(2,502,753)</u> |
| CASH FLOW STATEMENT | | | |
| Net cash inflow/(outflow) from operating activities | | 3,978,207 | (2,502,753) |
| Returns on investments and servicing of finance | 19 | 548,644 | 427,304 |
| Taxation | | (833,118) | (575,505) |
| Capital expenditure and financial investment | 19 | (912,816) | (119,152) |
| Equity dividends paid | | (462,500) | (231,250) |
| Cash inflow/(outflow) before use of liquid resources and financing | | <u>2,318,417</u> | <u>(3,001,356)</u> |
| Financing | 19 | (179,673) | (170,142) |
| Increase/(decrease) in cash | | <u>2,138,744</u> | <u>(3,171,498)</u> |
| Reconciliation of net cash flow to movement in net funds. | | | |
| Increase/(decrease) in cash in the year | | 2,138,744 | (3,171,498) |
| Decrease in loans | 20 | 179,673 | 170,142 |
| New finance leases | | - | (113,881) |
| Movement in net funds in the year | | <u>2,318,417</u> | <u>(3,115,237)</u> |
| Net funds at 1st November 1999 | | <u>6,511,110</u> | <u>9,626,347</u> |
| Net funds at 31st October 2000 | 20 | <u>8,829,527</u> | <u>6,511,110</u> |

Byzak Contractors Limited
Notes to the Financial Statements
for the year ended 31st October 2000

I Accounting policies

Accounting convention

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

Group financial statements

The company's subsidiary undertakings are considered immaterial by the directors. Consequently, they have not been consolidated and these financial statements present information about the company as an individual undertaking rather than as a group.

Turnover

Turnover represents the invoiced amount of goods sold and services provided less returns and allowances, excluding value added tax. In the case of long term contracts, turnover represents the sales value of work done during the year, including estimates in respect of amounts not invoiced.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The principal annual rates and method used are:

| | |
|-------------------------------------|---------------------------|
| Plant, machinery and motor vehicles | 25% to 100% straight line |
| Office equipment | 50% straight line |

Leasing and hire purchase

Certain tangible fixed assets are held under finance leases and hire purchase agreements. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of repayments is charged to the profit and loss account in proportion to the reducing capital element outstanding.

All other leases held are operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Fixed asset investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

Long term contracts

Profit on long term contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out by the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract revenue which costs incurred to date bear to total expected costs for that contract. Revenue derived from variations on contracts is only recognised when they have been accepted by the customers. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred taxation

Deferred taxation is calculated under the liability method at the appropriate rate of tax in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements to the extent that, in the opinion of the directors, those differences will give rise to tax liabilities in the foreseeable future.

Pension Costs

The cost of pension benefits are recognised on a systematic basis over employees working lifetimes. For further details see note 4.

2 Operating profit

| <i>The operating profit is stated after charging or crediting:</i> | 2000 | 1999 |
|--|-------------|-------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| -owned assets | 977,004 | 66,617 |
| -assets held under hire purchase contracts and finance leases | 209,107 | 198,289 |
| Profit on disposal of fixed assets | (4,248) | (8,829) |
| Auditors' remuneration - non audit work | 10,797 | 11,826 |
| Auditors' remuneration | 12,070 | 11,000 |
| Operating lease rentals - land and buildings | 106,558 | 32,867 |

3 Directors and employees

Staff costs, including directors' remuneration, were as follows:

| | 2000 | 1999 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 5,285,590 | 5,982,415 |
| Social security costs | 466,503 | 487,938 |
| Other pension costs | 412,888 | 140,932 |
| | 6,164,981 | 6,611,285 |

Byzak Contractors Limited
Notes to the Financial Statements
for the year ended 31st October 2000

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

| | 2000 | 1999 |
|----------------|---------------|---------------|
| | Number | Number |
| Administration | 26 | 28 |
| Production | 143 | 164 |
| | <u>169</u> | <u>192</u> |

Directors' emoluments

| | 2000 | 1999 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Aggregate emoluments | 465,441 | 439,284 |
| Payments to defined benefit scheme | 13,469 | 13,075 |
| | <u>478,910</u> | <u>452,359</u> |

Retirement benefits were accruing to the directors as follows:

| | 2000 | 1999 |
|-------------------------|---------------|---------------|
| | Number | Number |
| Defined benefit schemes | <u>2</u> | <u>2</u> |

Highest paid director

| | 2000 | 1999 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Aggregate emoluments | 285,733 | 282,007 |
| Payments to defined benefit scheme | 7,164 | 6,955 |
| | <u>292,897</u> | <u>288,962</u> |

4 Pension scheme

The company operates a defined benefit pension scheme which is administered under a separate trust. The scheme was established on 1st January 1998 and is funded by contributions from employees of the company and the company. Company contributions are based upon advice from an independent qualified actuary who assessed the rates at 1 November 1998 using the attained age method, together with the following principle assumptions:

| | |
|---|----------------|
| Investment return | 8.5% per annum |
| Earnings increases | 7.0% per annum |
| Increases to future pensions in payment | 4.5% per annum |

The actuarial valuation of the scheme as at 1 November 1998 showed a funding level of 89% using the above assumptions. The market value of the assets was £1,505,000.

The pensions cost charge for the period was £412,888 (1999 : £140,392) which is equated to the actual contributions paid.

5 Interest payable and similar charges

| | 2000 | 1999 |
|--|---------------|---------------|
| | £ | £ |
| Finance leases and hire purchase contracts | <u>24,356</u> | <u>22,274</u> |

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

6 Taxation

| | 2000 £ | 1999 £ |
|--|------------------|----------------|
| <i>Based on the result for the period:</i> | | |
| U.K. Corporation tax at 30% (1999: 30.4%) | 1,364,084 | 720,570 |
| Deferred tax charge | - | 60,800 |
| | <u>1,364,084</u> | <u>781,370</u> |
| <i>Prior periods:</i> | | |
| UK corporation tax | 35,111 | (3,585) |
| Deferred taxation | - | 75,070 |
| | <u>1,399,195</u> | <u>852,855</u> |

The tax charge for the year has been increased by approximately £22,000 (1999 : £14,000) in respect of permanent timing differences and increased by approximately £186,000 (1999 : reduced by £58,000) in respect of deferred taxation not provided.

7 Dividends

| | 2000 £ | 1999 £ |
|---|----------------|----------------|
| Equity dividends | | |
| Ordinary dividends - paid of £5 per share on 46,250 shares | 231,250 | - |
| Ordinary dividends - final proposed of £5 per share on 46,250 shares | - | 231,250 |
| Total equity dividends | <u>231,250</u> | <u>231,250</u> |

3,750 shares are held by the Employee Benefit Trust. In accordance with FRS 5 - Reporting the substance of transactions trust assets have been incorporated into the company's balance sheet (see note 27). Dividends paid therefore reflect dividends paid to shareholders other than the trust.

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

8 Tangible fixed assets

| | Plant, machinery and motor vehicles | Office equipment | Total |
|-----------------------------|--|---------------------|------------------|
| Cost | £ | £ | £ |
| At 1st November 1999 | 4,477,931 | 21,109 | 4,499,040 |
| Additions | 917,066 | - | 917,066 |
| Disposals | (29,038) | - | (29,038) |
| At 31st October 2000 | 5,365,959 | 21,109 | 5,387,068 |
| Depreciation | | | |
| At 1st November 1999 | 4,016,684 | 21,103 | 4,037,787 |
| Charge for the year | 1,186,111 | - | 1,186,111 |
| Disposals | (29,036) | - | (29,036) |
| At 31st October 2000 | 5,173,759 | 21,103 | 5,194,862 |
| Net book value | | | |
| At 31st October 2000 | 192,200 | 6 | 192,206 |
| <i>At 31st October 1999</i> | <i>461,247</i> | <i>6</i> | <i>461,253</i> |

Assets held under finance leases and hire purchase have a net book value of £95,384 (1999: £304,491). Depreciation charged for the year was £209,107 (1999: £198,289).

9 Fixed asset investments

| | Shares in group undertakings | Own shares | Total |
|---|------------------------------------|------------|---------|
| Cost | £ | £ | £ |
| At 1st November 1999 and at 31st October 2000 | 10,000 | 194,000 | 204,000 |

The company owns the whole of the issued ordinary share capital of Byzak Construction (Scotland) Limited, which does not trade. Its results and net assets are therefore not material and consequently consolidated accounts have not been prepared.

The investment in own shares relates to 7.5% of the company's share capital which was acquired by The Byzak Contractors Limited Employee Benefit Trust.

10 Stocks

| | 2000 | 1999 |
|-------------------------------|--------|--------|
| | £ | £ |
| Raw materials and consumables | 27,357 | 27,357 |

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

| 11 | Debtors | 2000 £ | 1999 £ |
|----|-----------------------------------|------------------|------------------|
| | Trade debtors | 329,020 | 446,022 |
| | Corporation tax recoverable | 9,250 | 11,280 |
| | Amounts owed by group undertaking | 540,364 | 363,210 |
| | Amounts recoverable on contracts | 1,313,809 | 2,574,749 |
| | Other debtors | 161,153 | 70,375 |
| | Prepayments | 122,693 | 144,336 |
| | | <u>2,476,289</u> | <u>3,609,972</u> |

Included in the above are amounts falling due after more than one year as follows:

| | | |
|----------------------------------|----------------|----------------|
| Amounts recoverable on contracts | <u>362,138</u> | <u>333,655</u> |
|----------------------------------|----------------|----------------|

12 Cash at bank and in hand

Cash at bank and in hand includes £304,568 (1999 : £265,738) which is held in trust for the beneficiaries of the Employee Benefit Trust.

| 13 | Creditors: amounts falling due within one year | 2000 £ | 1999 £ |
|----|--|------------------|------------------|
| | Payments received on account | 1,214,614 | 680,196 |
| | Trade creditors | 2,667,416 | 3,837,870 |
| | Amounts owed to group undertaking | 21,936 | 5,720 |
| | Other creditors | 47,025 | 93,060 |
| | Accruals | 1,462,370 | 2,189,871 |
| | Corporation tax | 1,098,772 | 533,070 |
| | Other taxes and social security | 110,323 | 356,942 |
| | Obligations under hire purchase contracts and finance leases (Note 15) | 94,282 | 179,673 |
| | Proposed dividend | - | 231,250 |
| | | <u>6,716,738</u> | <u>8,107,652</u> |

| 14 | Creditors: amounts falling due after more than one year | 2000 £ | 1999 £ |
|----|--|---------------|----------------|
| | Obligations under hire purchase contracts and finance leases (Note 15) | <u>20,919</u> | <u>115,201</u> |

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

| | | | |
|-----------|--|------------------------|------------------|
| 15 | Obligations under hire purchase contracts and finance leases | 2000 | 1999 |
| | | £ | £ |
| | Obligations under hire purchase contracts and finance leases are analysed between amounts payable: | | |
| | In the next year | 94,282 | 179,673 |
| | In the second to fifth years inclusive | 20,919 | 115,201 |
| | | <u>115,201</u> | <u>294,874</u> |
| | Obligations under hire purchase contracts and finance leases are secured on the assets concerned. | | |
| 16 | Deferred taxation | | |
| | Deferred taxation provided for in the financial statements is set out below and is calculated using a tax rate of 30%. | | |
| | | 2000 | 1999 |
| | | £ | £ |
| | At 1st November 1999 | 135,870 | - |
| | Movement in the year | - | 135,870 |
| | At 31st October 2000 | <u>135,870</u> | <u>135,870</u> |
| | | Amount provided | |
| | | 2000 | 1999 |
| | | £ | £ |
| | Short term timing differences | <u>135,870</u> | <u>135,870</u> |
| 17 | Share capital | 2000 | 1999 |
| | | £ | £ |
| | Authorised | | |
| | Equity shares | | |
| | 50,000 Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |
| | Allotted | | |
| | Equity shares | | |
| | 50,000 Allotted, called up and fully paid ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |
| 18 | Reconciliation of movement in shareholders' funds | 2000 | 1999 |
| | | £ | £ |
| | Profit for the financial year | 2,452,460 | 1,862,532 |
| | Dividends | (231,250) | (231,250) |
| | Increase in the shareholders' funds | <u>2,221,210</u> | <u>1,631,282</u> |
| | Opening shareholders' funds | <u>2,749,843</u> | <u>1,118,561</u> |
| | Closing shareholders' funds | <u>4,971,053</u> | <u>2,749,843</u> |

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

| | | | |
|-----------|--|------------------|------------------|
| 19 | Gross cash flows | 2000 | 1999 |
| | | £ | £ |
| | Returns on investments and servicing of finance | | |
| | Interest received | 573,000 | 449,578 |
| | Interest element of finance lease rentals payment | (24,356) | (22,274) |
| | | <u>548,644</u> | <u>427,304</u> |
| | Capital expenditure and financial investment | | |
| | Payments to acquire tangible fixed assets | (917,066) | (130,102) |
| | Proceeds from the sale of tangible fixed assets | 4,250 | 10,950 |
| | | <u>(912,816)</u> | <u>(119,152)</u> |
| | Financing | | |
| | Capital element of finance lease rentals payments | <u>(179,673)</u> | <u>(170,142)</u> |

| | | | | |
|-----------|--|--------------------------|-------------------|--------------------------|
| 20 | Analysis of changes in net debt | 1st November 1999 | Cash flows | 31st October 2000 |
| | | £ | £ | £ |
| | Cash at bank and in hand | 6,805,984 | 2,138,744 | 8,944,728 |
| | Finance leases | (294,874) | 179,673 | (115,201) |
| | | <u>6,511,110</u> | <u>2,318,417</u> | <u>8,829,527</u> |

21 Ultimate parent undertaking

The directors consider the ultimate parent undertaking to be Globemile Limited which is the only undertaking that prepares group accounts including the financial statements of the company.

22 Control

Throughout the whole of the year and the previous year the company was a 77% subsidiary of Globemile Limited and was controlled by it. The company was ultimately controlled by the director of Globemile Limited, P J Byrne, who is also a director of this company, who controlled the whole of its share capital.

Byzak Contractors Limited
Notes to the Financial Statements
for the year ended 31st October 2000

23 Operating lease commitments

At 31st October 2000 the company had annual commitments under non-cancellable operating leases as set out below:

| | Land and buildings | | Other | |
|--------------------------------|---------------------------|-------------|--------------|-------------|
| | 2000 | 1999 | 2000 | 1999 |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Between two and five years | 106,558 | 106,558 | 1,766 | 3,888 |

24 Capital commitments

The company had the following capital commitments:

| | 2000 | 1999 |
|---|-------------|-------------|
| | £ | £ |
| Contracted for but not provided in the financial statements | - | 800,000 |

25 Transactions with directors

During the year the company provided a loan to N F Hayes a director of the company. The amount outstanding at the end of the year was £Nil (1999 : £37,000). The maximum outstanding during the year was £37,000.

26 Contingent liabilities

At 31st October 2000 the company had performance bonds amounting to £Nil (1999 : £647,000).

Byzak Contractors Limited

Notes to the Financial Statements

for the year ended 31st October 2000

27 Employee Benefit Trust

The company has established an Employee Benefit Trust with the objective of promoting employee loyalty and goodwill. Contributions for the year totalled £240,000 (1999 : £240,000).

In accordance with FRS 5 - 'Reporting the substance of transactions', trust assets of £483,804 (1999 : £468,412) have been incorporated into the company's balance sheet. As the contributions should be totally allowable for tax purposes for this year, provision has been made for deferred tax on the contributions relating to those assets.

Trust assets totalling £248,237 (1999 : £nil) have been allocated to the beneficiaries of the trust during the year and therefore have been included in the profit and loss account.

28 Related parties

During the year Kaleida Limited, a fellow subsidiary undertaking of Globemile Limited made sales of £69,812 (1999 : £76,890) to the company. In addition the company made recharges to other group companies of £181,865 (1999 : £114,686).

Included in amounts owed to group undertakings was a trading balance for the year ended 31st October 2000 of £21,936 (1999 : £5,720)

Included in amounts owed from group undertakings was a trading balance for the year ended 31st October 2000 of £540,364 (1999 : £363,210)