

MACOB HOLDINGS LIMITED

AND IT SUBSIDIARIES

COMPANY NUMBER: 2486334

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED

30 APRIL 1993



MACOB HOLDINGS LIMITED**AND ITS SUBSIDIARIES****REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their Annual Report and the audited Accounts of the Company and group for the year ended 30 April 1993.

BUSINESS REVIEW

The principal activity of the Group remains that of Building and Civil Engineering Contractors.

	<u>1993</u> £	<u>1992</u> £
Group Turnover	15,543,185	10,838,032
Group Profit before Taxation	623,318	1,332,877
Taxation	(149,635)	(576,375)
Group Profit after Taxation	473,683	756,502

DIVIDEND

A dividend of £3,095 per share was paid during the year. (1992 - £6,790 per Share)

CLOSE COMPANY PROVISIONS

The Company is a close company within the meaning of the Taxes Acts.

DIRECTORS

The Directors of the Company at 30 April 1993 and their interest in the Shares of the Company were:

	<u>Ordinary Shares of £1 each</u>	
	<u>30/4/93</u>	<u>1/5/92</u>
R J ROBERTS	94	94
L M ROBERTS	1	1

AUDITORS

A resolution to re-appoint Clay Shaw Thomas as Auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



SECRETARY

REPORT OF THE AUDITORS
TO THE MEMBERS OF
MACOB HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Group and of the profit or loss of the group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

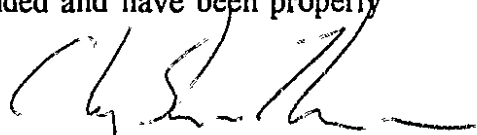
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or errors. In forming our opinion we also evaluated the overall adequacy of the preparation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Group's affairs as at 30 April 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

46/48 Coity Road
Bridgend
Mid Glamorgan


Clay Shaw Thomas
Chartered Accountants
Registered Auditors

15-9-93

MACOB HOLDINGS LIMITED
AND ITS SUBSIDIARIES
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1993

	<u>Note</u>	<u>1993</u> £	<u>1992</u> £
Turnover	1	15,543,185	10,838,032
Cost of Sales		(13,087,908)	(7,910,208)
GROSS PROFIT		2,455,277	2,927,824
Distribution Costs		(299,162)	(291,526)
Administrative Expenses		(1,248,890)	(1,291,932)
Profit/(Loss) on Sale of Fixed Assets		5,119	(38,198)
Operating profit		912,344	1,306,168
Interest Receivable and Similar Income		11,012	216,925
Interest Payable and Similar Charges		(300,038)	(190,216)
Profit on Ordinary Activities before Taxation	2	623,318	1,332,877
Taxation	3	(149,635)	(576,375)
Profit on Ordinary Activities after Taxation		473,683	756,502
Minority Interest		12,418	(11,704)
Profit after Taxation and Minority Interest	5	486,101	744,798
Dividends	4	(294,000)	(645,008)
Profit attributable to the members of Macob Holdings Limited		192,101	99,790
Retained Profit brought forward		1,596,136	1,694,593
Purchase of Own Shares		-	(202,464)
Release of Revaluation Reserve		49,527	4,250
Transfer to Capital Reserve		-	(33)
Retained Profit carried forward	6	1,837,764	1,596,136

In accordance with the exemption allowed under S230 of the Companies Act 1985, as amended, the Company's Profit and Loss Account is not separately presented.

The Statement of Accounting Policies and Notes on pages 7 to 15 form an integral part of these Accounts.

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Index

The Statement of Accounting policies and Notes on pages 7 to 15 form an integral part of these Accounts.

MACOB HOLDINGS LIMITED**AND ITS SUBSIDIARIES****COMPANY BALANCE SHEET AS AT 30 APRIL 1993**

	<u>Note</u>	<u>1993</u>	<u>1992</u>
		£	£
<u>FIXED ASSETS</u>			
Shares in Group Undertakings		562	460
		<hr/>	<hr/>
<u>CURRENT ASSETS</u>			
Debtors	9	-	-
		<hr/>	<hr/>
		-	-
<u>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Other Creditors	10	467	365
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)		(476)	(365)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		95	95
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	13	95	95
Capital Redemption Reserve		5	5
Profit and Loss Account		(5)	(5)
		<hr/>	<hr/>
		95	95
		<hr/>	<hr/>

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DIRECTORS 15-9-93 Date:

The Statement of Accounting policies and Notes on pages 7 to 15 form an integral part of these Accounts.

MACOB HOLDINGS LIMITED**AND ITS SUBSIDIARIES****GROUP CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 APRIL 1993**

	<u>Note</u>	<u>1993</u>	<u>1992</u>
		£	£
Net Cash Inflow from Operating Activities	19	791,425	425,708
Return on Investment and Servicing of Finance			
Interest Received	11,012		216,925
Interest Paid	(300,038)		(190,216)
Dividends Paid	(294,000)		(645,008)
Net Cash Outflow from Returns on Investment and Servicing of Finance		(583,026)	(618,299)
Taxation			
Corporation tax Paid (including ACT)	(720,549)		496,724
Tax Paid		(720,549)	(496,724)
Investing Activities			
Payments to acquire Tangible Fixed Assets	(1,693,950)		(253,176)
Receipts from sales of Tangible Fixed Assets	518,415		113,050
Net Cash Outflow from Investing Activities		(1,175,535)	(140,126)
Net Cash Outflow before Financing		(1,687,685)	(829,441)
Financing			
Principal Repayment of Finance Lease Obligations	(7,962)		(53,677)
Principal Repayment of Hire Purchase Obligations	(459,491)		(157,342)
Repayment of Borrowings	(203,066)		(403,229)
Proceeds from New Borrowings	2,226,331		780,000
Repurchase of Ordinary Share Capital	-		(202,464)
Net Cash Inflow/(Outflow) for financing		1,555,812	(36,712)
Decrease in Cash and Cash Equivalents	20	(131,873)	(866,153)

MACOB HOLDINGS LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1993

STATEMENT OF ACCOUNTING POLICIES

Consolidation

The consolidated Accounts include the Company and its subsidiaries namely Macob Limited, Macob Construction Limited, Macob Developments Limited, Macob Civil Engineering Limited, Macob (South West) Limited, Macob (Southern) Limited and Macob (Midlands) Limited. Intra group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only. All Companies in the Group have coterminous accounting year ends.

The results of the subsidiaries acquired under during the year are included under the Merger method of accounting as set out in Statements of Standard Accounting Practice number 23.

Accounting Convention

The accounts have been prepared under the Historical Cost Convention as modified by the revaluation of land and buildings.

Depreciation

Depreciation has been provided in order to write off the cost of fixed assets, other than freehold land, over their estimates useful lives using the straight line basis as follows:

Plant and Machinery	-	10% per annum
Fixtures and Fittings	-	10% - 15% per annum
Motor Vehicles	-	20% - 25% per annum

Assets capitalised under finance leases are depreciation over the terms of the leases.

Leasehold land and buildings on a 999 year lease are depreciation over 100 years.

Stock and Work in Progress

Stock and Work in Progress is valued at the lower of cost and net realisable value. Cost includes direct materials, labour and manufacturing overheads incurred in bringing each project to its present location and condition. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

Long Term Contract Work in Progress

Long term contract work in progress is valued at net cost after deducting foreseeable losses. Claims for progress payments are deducted from the value of the work in progress or, to the extent that they exceed the costs incurred, are included in creditors.

Deferred Taxation

Provision is made for deferred taxation at the rate of Corporation Tax ruling at the year end (the liability method) except in respect of any tax reduction which can reasonably be expected to continue for the future. The amounts provided and the full potential liability are set out in Note 17.

Hire Purchase and Leasing

Fixed Assets purchased under hire purchase agreements are capitalised in the balance sheet. Leased assets falling within the definition of a finance lease are capitalised and depreciated over the term of the lease, the finance charge and hire purchase interest being allocated to the Profit and Loss Account under the sum of the digits method.

MACOE HOLDINGS LIMITED**AND ITS SUBSIDIARIES****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 30 APRIL 1993****CONTINUED****NOTES****1 GROUP TURNOVER**

Group turnover represents the value of all goods and services invoiced by the Companies during the year, excluding Value Added Tax and adjusted for Work in Progress.

2a GROUP PROFIT ON ORDINARY ACTIVITIES

The Group Profit on ordinary activities is stated after charging:

	<u>1993</u>	<u>1992</u>
	£	£
Depreciation of Fixed Assets	257,654	230,377
Auditors' Remuneration	16,500	13,000
Directors' Remuneration and Pension	372,590	324,245
Bank charges and Interest	270,985	198,056
Hire of Plant and Machinery	2,334,416	1,421,610
	<hr/>	<hr/>

2b DIRECTORS' REMUNERATION

	<u>1993</u>	<u>1992</u>
	£	£
Remuneration of Chairman	60,000	106,537
	<hr/>	<hr/>

The number of Directors in the following salary brackets:

	<u>1993</u>	<u>1992</u>
£10,001 - £15,000	-	1
£15,001 - £20,000	-	2
£30,001 - £35,000	5	1
£45,001 - £50,000	1	1
£50,001 - £60,000	2	-
£70,001 - £75,000	1	1
£105,001 - £110,000	-	1
£235,001 - £240,000	-	-
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MACOB HOLDINGS LIMITED
AND IT SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1993
CONTINUED

NOTES**2c STAFF NUMBERS AND COSTS**

The average number of persons employed by the Group and Company (including Directors) during the year was:

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
Management and Administrative	28	24	2	2
Construction	53	50	-	-
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The aggregate payroll costs were as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£	£	£	£
Wages and Salaries	1,322,157	937,445	-	-
Social Security Costs	131,463	116,857	-	-
Other Pension Costs	9,038	25,520	-	-
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

3 TAXATION

The charge to Corporation Tax based on the results for the year is at a rate of 33%

	<u>The Group</u>	
	<u>1993</u>	<u>1992</u>
	£	£
Corporation Tax	149,635	476,375
Corporation Tax under provided in previous years	-	100,000
	<u>149,635</u>	<u>576,375</u>

4 DIVIDENDS

	<u>The Group</u>	
	<u>1993</u>	<u>1992</u>
	£	£
Paid £3,095/£6,790 per share	294,000	645,008
	<u>—</u>	<u>—</u>

5 PROFIT FOR THE YEAR

	<u>1993</u>	<u>1992</u>
	£	£
Holding Company	-	-
Subsidiary Company	486,101	744,798
	<u>486,101</u>	<u>744,798</u>

MACOB HOLDINGS LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1993
CONTINUED

NOTES

6	RETAINED PROFIT CARRIED FORWARD	1993	1992
		£	£
	Retained by Holding Company	-	-
	Retained by Subsidiary Undertakings	1,837,764	1,596,136
		<u>1,837,764</u>	<u>1,596,136</u>

7 **TANGIBLE ASSETS - THE GROUP**

	Balance at 1 May 1992	Additions	Disposal	Balance at 30 April 1993
<u>Cost</u>	£	£	£	£
Leased Plant	393,300	-	(393,300)	-
Leased Vehicles	158,400	-	-	158,400
Plant and Machinery	617,226	1,270,186	(513,490)	1,373,922
Fixtures and Fittings	111,911	253	(745)	111,419
Motor Vehicles	490,720	417,815	(140,030)	768,505
Freehold Land	444,999	4,362	(181,856)	267,505
Leasehold Land and Buildings	461,064	1,334	-	462,398
	<u>2,677,620</u>	<u>1,693,950</u>	<u>(1,229,421)</u>	<u>3,142,149</u>

	Balance at 1 May 1992	Charge for the year	On Disposal	Balance at 30 April 1993
<u>Depreciation</u>	£	£	£	£
Leased Plant	393,300	-	(393,300)	-
Leased Vehicles	150,331	8,069	-	158,400
Plant and Machinery	233,113	100,125	(198,627)	134,611
Fixtures and Fittings	30,649	11,832	-	42,481
Motor Vehicles	235,876	133,004	(104,198)	264,682
Land	-	4,624	-	4,624
	<u>1,043,269</u>	<u>257,654</u>	<u>(696,125)</u>	<u>604,798</u>

	Balance at 1 May 1992	Balance at 30 April 1993
<u>Net Book Value</u>	£	£
Leased Plant	-	-
Leased Vehicles	8,069	-
Plant and Machinery	384,113	1,239,311
Fixtures and Fittings	81,262	68,938
Motor Vehicles	254,844	503,823
Freehold Land	444,999	267,505
Leasehold Land and Buildings	461,064	457,774
	<u>1,634,351</u>	<u>2,537,351</u>

Freehold land and buildings is valued at open market value by the Directors.

There are no Tangible Fixed Assets held by the Company.

MACOB HOLDINGS LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1993
CONTINUED

NOTES

8

STOCK AND WORK IN PROGRESS

	<u>The Group</u>	
	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Stock	3,159,638	3,146,539
Work in Progress	979,047	675,017
	<hr/>	<hr/>
	4,138,685	3,821,556
	<hr/>	<hr/>

9

DEBTORS

	<u>The Group</u>	
	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Trade Debtors	2,708,158	1,335,653
Other Debtors	440,506	293,602
	<hr/>	<hr/>
	3,148,664	1,629,255
	<hr/>	<hr/>

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OTHER CREDITORS

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
ACT	86,687	28,337	-	-
Corporation Tax	118,597	747,861	-	-
Social Security and Other Taxation	160,144	275,282	-	-
Other Creditors	602,622	328,283	565	365
General Rectification Provision	196,000	196,000	-	-
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	1,164,050	1,575,763	565	365
	<hr/>	<hr/>	<hr/>	<hr/>

11

BANK

Barclays Bank Plc hold a Fixed and Floating charge over the assets of the Group and the Company. The terms of the bank borrowing are as follows:

- a) Loan of £50,000 repayable by 6 March 2009 with no fixed instalments.
- b) Loans of £821,500 and £740,000 currently carrying no repayment terms.

The bank overdraft and loans are secured by a formal debenture lodged with Companies House on 17 December 1987.

The bank security includes a cross guarantee between all the Group Companies.

Bank of Wales hold a first legal charge over the leasehold premises covering their loan of £285,000 as at 30 April 1993.

MACOB HOLDINGS LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1993
CONTINUED

NOTES

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**CREDITORS - AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR**

	<u>The Group</u>	
	<u>1993</u>	<u>1992</u>
	£	£
Bank Loan	265,000	142,523
Hire Purchase	752,261	21,554
	<hr/>	<hr/>
	1,017,261	164,077
	<hr/>	<hr/>

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LEASING AND HIRE PURCHASE OBLIGATIONS**The Group**

	<u>Leasing</u>		<u>Hire Purchase</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£	£	£	£
Payments due within one year ,	-	20,643	686,665	115,545
Payments due within 2 to 5 years	-	-	852,614	27,856
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	-	20,643	1,539,279	143,401
Less Interest allocated to future periods	-	(5,934)	(186,771)	(10,401)
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	-	14,709	1,352,508	133,000
	<hr/>	<hr/>	<hr/>	<hr/>

The is no leasing or hire purchase obligation owed by the Company.

12b

BANK LOAN

	<u>The Group</u>	
	<u>1993</u>	<u>1992</u>
	£	£
Falling due within 2 and 5 years	80,000	141,968
Falling due after 5 years:		
- By instalments	185,000	555
- Other than by instalments	-	-
	<hr/>	<hr/>
	265,000	142,523
	<hr/>	<hr/>

MACOB HOLDINGS LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1992
CONTINUED

NOTES

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CALLED UP SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
Ordinary Shares of £1 each:		
Authorised	10,000	10,000
Called Up	95	100

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SUBSIDIARY COMPANIES - SHARES AT COST

	<u>1993</u>	<u>1992</u>
	£	£
Macob Limited (ordinary £1)	100	100
Macob Construction Limited (ordinary £1)	94	94
Macob Developments Limited (ordinary £1)	72	72
Macob Civil Engineering Limited (ordinary £1)	94	94
Macob South West Limited (ordinary £1)	100	100
Macob (Southern) Limited (ordinary £1)	2	-
Macob (Midlands) Limited (ordinary £1)	100	-

Macob Limited is a 100% subsidiary.

Macob Constructions Limited is a 94% subsidiary. 19% of the ordinary shares in Macob Construction Limited were acquired during the year ended 30 April 1992.

Macob Developments Limited is a 100% subsidiary acquired on 10 July 1991.

Macob Civil Engineering Limited is a 94% subsidiary acquired on 10 July 1991.

Macob South West Limited is a 100% subsidiary acquired on 21 January 1992.

Macob Southern Limited and Macob Midlands Limited are both 100% subsidiaries acquired in May 1992.

MACOB HOLDINGS LIMITED
AND IT SUBSIDIARIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1993
CONTINUED

NOTES**15 CAPITAL COMMITMENTS**

Macob Developments Limited is currently developing the land held in tangible fixed assets.

16 CONTINGENCIES

Macob Limited has one performance bond guarantee registered with its bankers, amounting to £10,000 as at 30 April 1993.

As at 30 April 1993 Macob Limited has a contingency arising as a result of a treatment of Directors' bonuses, together with other taxation aspects of the Directors' loan accounts. It is not possible to provide a prudent estimate of the financial effect.

17 GROUP DEFERRED TAXATION

Analysis of provision and potential liability:

	Full Potential Liability		Provision Made	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£	£	£	£
Accelerated Capital Allowances	123,966	35,986	-	-
Revaluation Reserve	28,454	51,400	-	-
	152,420	87,386	-	-

18 COMPARATIVE FIGURES

There are no comparative figures for Macob (Southern) Limited and Macob (Midlands) Limited as it is the companies' first year of trading.

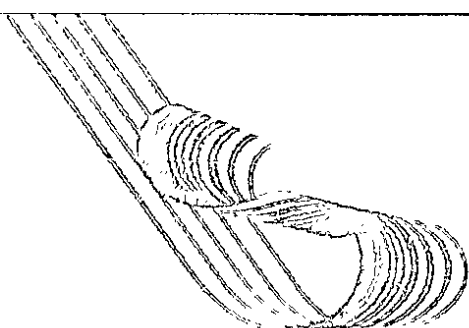
MACOB HOLDING LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1993

19 **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<u>1993</u>	<u>1992</u>
	£	£
Operating Profit	912,344	1,306,168
Depreciation Charges	257,654	230,377
(Profit)/Loss on Sale of Tangible Fixed Assets	(5,119)	38,198
(Increase) in Stocks	(317,129)	(1,575,084)
(Increase)/Decrease in Debtors	(1,398,945)	308,500
Increase in Creditors	1,342,620	117,549
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	791,425	425,708
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20 **ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET**

	Change in Year			
	1993	1992	1993	1992
	£	£	£	£
Cash at Bank and in Hand	1,116	139,677	(138,561)	(423,352)
Bank Overdrafts	(843,722)	(850,410)	6,688	(442,801)
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	(842,606)	(710,733)	(131,873)	(866,153)
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Clay Shaw Thomas

Chartered Accountants

BRIDGEND & CARMARTHEN

Tel: (0656) 654271/2 or 767242
Fax: (0656) 667040

Our Ref: 6438/DGJW/DEB/se

28 September 1993

Registrar of Companies
Companies House
Crown Way
Maindy
CARDIFF
CF4 3UZ

Dear Sir

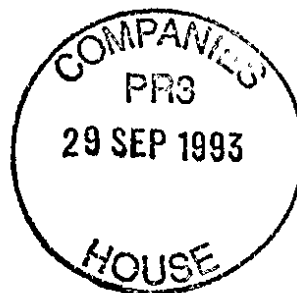
RE: MACOB HOLDINGS LIMITED

We enclose a certified copy of the above Company's Accounts for the year ended 30 April 1993, for your information.

Yours faithfully

CLAY SHAW THOMAS

Enc



Charter House, 46/48 Coity Road, Bridgend, Mid Glam. CF31 1LR.

M.J. Clay, S.M. Shaw, D.R. Thomas, D. G. Butler, D.G.J. Williams

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