

COMPANY REGISTRATION NUMBER 2719531

MACOB (SOUTHERN) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 JUNE 2006

FRIDAY



AHGUMOAL

A03

30/03/2007

103

COMPANIES HOUSE

MACOB (SOUTHERN) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2006

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Notes to the abbreviated accounts	7

MACOB (SOUTHERN) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr R J Roberts
Mr T C Goulding
Mr P England
Mr G Bettell
Mr M S Thomas

Company secretary

Mr D M Walters

Registered office

Ty Atebion
Bocam Park
Bridgend
CF35 5LJ

Auditor

Clay Shaw Thomas Limited
Chartered Accountants
& Registered Auditors
Ty Atebion
Bocam Park
Bridgend
CF35 5LJ

Bankers

Barclays Bank Plc
Corporate Banking Centre
3rd Floor
Windsor Court
Windsor Place
Cardiff
CF10 3ZL

MACOB (SOUTHERN) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of groundworks and related activities.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors are satisfied with the results for the year and expect similar results for the foreseeable future.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,465. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. Given the size of the Macob group of companies, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

DIRECTORS

The directors who served the company during the year were as follows:

Mr R J Roberts
Mr T C Goulding
Mr P England
Mr G Bettell
Mr M S Thomas

(Appointed 30 September 2005)

None of the directors held a beneficial interest during the year.

Macob (Southern) Limited is a 100% subsidiary of Macob Holdings Limited. Mr R J Roberts has a beneficial interest in 92% of the issued share capital of Macob Holdings Limited.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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;
- 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 that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant

MACOB (SOUTHERN) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2006

audit information and to establish that the auditor is aware of that information.

POST BALANCE SHEET EVENT

No post balance sheet events have occurred since the approval of the financial statements which require reporting or disclosing in the accounts.

AUDITOR

A resolution to re-appoint Clay Shaw Thomas Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

Mr D M Walters
Company Secretary



Approved by the directors on ...15/12/2006

MACOB (SOUTHERN) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO MACOB (SOUTHERN)
LIMITED**

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 12, together with the financial statements of Macob (Southern) Limited for the year ended 30 June 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Ty Atebion
Bocam Park
Bridgend
CF35 5LJ

15/12/2006



CLAY SHAW THOMAS LIMITED
Chartered Accountants
& Registered Auditors

MACOB (SOUTHERN) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 2006**

	Note	2006 £	2005 £
GROSS PROFIT		691,236	1,099,692
Administrative expenses		(694,493)	(748,043)
OPERATING (LOSS)/PROFIT	2	(3,257)	351,649
Interest receivable	5	14,376	17,997
Interest payable and similar charges	6	(309)	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,810	369,646
Tax on profit on ordinary activities	7	(9,345)	(119,303)
PROFIT FOR THE FINANCIAL YEAR		<u>1,465</u>	<u>250,343</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 12 form part of these abbreviated accounts.

MACOB (SOUTHERN) LIMITED**ABBREVIATED BALANCE SHEET****30 JUNE 2006**

	Note	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible assets	8		1,626		4,301
CURRENT ASSETS					
Stocks	9	47,549		16,328	
Debtors	10	2,040,767		1,834,030	
Cash at bank and in hand		1,340,110		1,633,235	
		3,428,426		3,483,593	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	1,490,539		1,549,846	
NET CURRENT ASSETS			1,937,887		1,933,747
TOTAL ASSETS LESS CURRENT LIABILITIES			1,939,513		1,938,048
CAPITAL AND RESERVES					
Called-up equity share capital	12	200,002		200,002	
Profit and loss account	13	1,739,511		1,738,046	
SHAREHOLDERS' FUNDS	14	1,939,513		1,938,048	

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 15/12/2006 and are signed on their behalf by:



Mr M S Thomas
Director

The notes on pages 7 to 12 form part of these abbreviated accounts.

MACOB (SOUTHERN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

The adoption of FRS 21 has no impact on the current year or previous years profit and loss account.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	25% per annum
Fixtures & Fittings	-	15% per annum
Equipment	-	15% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

MACOB (SOUTHERN) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006**

1. ACCOUNTING POLICIES (continued)**Long term contracts**

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long term contracts are included in the work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Pension costs

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2006	2005
	£	£
Directors' emoluments	80,011	124,241
Depreciation of owned fixed assets	3,812	3,554
Auditor's remuneration		
- as auditor	<u>7,000</u>	<u>7,000</u>

MACOB (SOUTHERN) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006****3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2006	2005
	No	No
Number of production staff	41	48
Number of administration and management	7	4
	<u>48</u>	<u>52</u>

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	1,322,585	1,430,324
Social security costs	126,968	128,422
Other pension costs	2,400	2,400
	<u>1,451,953</u>	<u>1,561,146</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2006	2005
	£	£
Emoluments receivable	<u>-</u>	<u>-</u>

5. INTEREST RECEIVABLE

	2006	2005
	£	£
Bank interest receivable	<u>14,376</u>	<u>17,997</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Other similar charges	<u>309</u>	<u>-</u>

7. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2006	2005
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	<u>9,345</u>	<u>119,303</u>
Total current tax	<u>9,345</u>	<u>119,303</u>

MACOB (SOUTHERN) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006****7. TAXATION ON ORDINARY ACTIVITIES (continued)****(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006	2005
	£	£
Profit on ordinary activities before taxation	10,810	369,646
Theoretical tax charge	3,243	110,894
Excess depreciation over capital allowances	545	383
Disallowable expenses	5,557	8,026
Total current tax (note 7(a))	9,345	119,303

8. TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures & Fittings	Equipment	Total
	£	£	£	£
COST				
At 1 July 2005	4,945	7,865	15,834	28,644
Additions	860	277	—	1,137
At 30 June 2006	5,805	8,142	15,834	29,781
DEPRECIATION				
At 1 July 2005	4,944	6,469	12,930	24,343
Charge for the year	215	1,222	2,375	3,812
At 30 June 2006	5,159	7,691	15,305	28,155
NET BOOK VALUE				
At 30 June 2006	646	451	529	1,626
At 30 June 2005	1	1,396	2,904	4,301

9. STOCKS

	2006	2005
	£	£
Stock of materials	47,046	16,328
Work in progress	503	—
	47,549	16,328

MACOB (SOUTHERN) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006****10. DEBTORS**

	2006	2005
	£	£
Trade debtors	35,570	22,576
Amounts owed by group undertakings	430,090	394,719
VAT recoverable	105,871	53,154
Amounts recoverable on long term contract	1,466,974	1,362,461
Other debtors	2,262	1,120
	<u>2,040,767</u>	<u>1,834,030</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Payments received on account	541,017	441,265
Trade creditors	465,135	442,661
Amounts owed to group undertakings	394,402	601,186
Corporation tax	1,390	1,357
PAYE and social security	3,038	2,478
Other creditors	78,557	53,899
Accruals and deferred income	7,000	7,000
	<u>1,490,539</u>	<u>1,549,846</u>

Refer to Note 18 for bank security details.

12. SHARE CAPITAL**Authorised share capital:**

	2006	2005
	£	£
201,000 Ordinary shares of £1 each	<u>201,000</u>	<u>201,000</u>

Allotted, called up and fully paid:

	2006		2005
	No	£	No
			£
Ordinary shares of £1 each	<u>200,002</u>	<u>200,002</u>	<u>200,002</u>

MACOB (SOUTHERN) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2006**

13. RESERVES

	Profit and loss account £
Balance brought forward	1,738,046
Profit for the year	1,465
Balance carried forward	<u>1,739,511</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	1,465	250,343
Opening shareholders' funds	1,938,048	<u>1,687,705</u>
Closing shareholders' funds	<u>1,939,513</u>	<u>1,938,048</u>

15. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of Macob (Southern) Limited is Macob Holdings Limited, a company registered in Wales.

The ultimate controlling party is Mr R J Roberts who has a beneficial interest in 92% of the issued share capital of Macob Holdings Limited.

16. BANK SECURITY

Bank loans and overdrafts are secured by an unlimited cross guarantee for the bank funding of all group companies in favour of Barclays Bank Plc.