

COMPANY REGISTRATION NUMBER 2719531

**MACOB (SOUTHERN) LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2008**



**MACOB (SOUTHERN) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2008**

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## **MACOB (SOUTHERN) LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

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#### **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 2008**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2008.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

Although market conditions deteriorated in 2008 and into early 2009 the company managed to maintain a reasonable share of the contracts available in the sector and hence minimise losses.

The directors' have reacted to the market conditions by cutting costs where appropriate to make the business leaner and more efficient whilst maintaining a stable platform for expansion once the economy recovers.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £29,756. Particulars of dividends paid are detailed in note 7 to the financial statements.

#### **FINANCIAL INSTRUMENTS**

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 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 subcommittee 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

#### **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.
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## **MACOB (SOUTHERN) LIMITED**

### **THE DIRECTORS' REPORT** *(continued)*

#### **YEAR ENDED 30 JUNE 2008**

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

#### **POST BALANCE SHEET EVENT**

There are no post balance sheet events that need to be adjusted for the year ended 30 June 2008.

#### **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.

Registered office:  
Ty Atebion  
Bocam Park  
Bridgend  
CF35 5LJ

Signed by order of the directors



MR D M WALTERS  
Company Secretary

Approved by the directors on 27/11/08...

**MACOB (SOUTHERN) LIMITED**

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

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts, together with the financial statements of Macob (Southern) Limited for the year ended 30 June 2008 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**

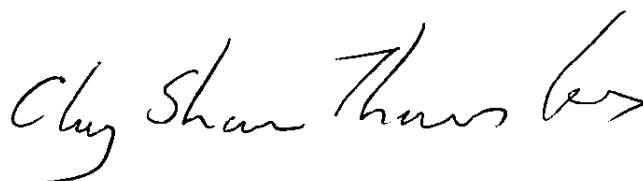
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial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

...27/11/08...



CLAY SHAW THOMAS LIMITED  
Chartered Accountants  
& Registered Auditors

**MACOB (SOUTHERN) LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 2008**

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	Note	2008 £	2007 £
<b>GROSS PROFIT</b>		<b>858,487</b>	1,245,404
Administrative expenses		<b>(827,027)</b>	(746,626)
<b>OPERATING PROFIT</b>	<b>2</b>	<b>31,460</b>	498,778
Interest receivable	<b>5</b>	<b>19,813</b>	16,918
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>51,273</b>	515,696
Tax on profit on ordinary activities	<b>6</b>	<b>(21,517)</b>	(160,978)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>29,756</u></b>	<u>354,718</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 11 form part of these abbreviated accounts.

**MACOB (SOUTHERN) LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**30 JUNE 2008**

	Note	2008 £	£	2007 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		2,359		338
<b>CURRENT ASSETS</b>					
Stocks	9	69,154		126,981	
Debtors	10	2,078,689		3,051,614	
Cash at bank and in hand		<u>2,170,973</u>		<u>1,819,962</u>	
		4,318,816		4,998,557	
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>2,347,188</u>		<u>2,904,664</u>	
<b>NET CURRENT ASSETS</b>			<u>1,971,628</u>		<u>2,093,893</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,973,987</u>		<u>2,094,231</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	12		200,002		200,002
Profit and loss account	13		<u>1,773,985</u>		<u>1,894,229</u>
<b>SHAREHOLDERS' FUNDS</b>	14		<u>1,973,987</u>		<u>2,094,231</u>

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 and authorised for issue on 27/11/08, and are signed on their behalf by:

  
 Mr M S Thomas  
 Director

The notes on pages 7 to 11 form part of these abbreviated accounts.

# **MACOB (SOUTHERN) LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2008**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

#### **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.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### **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.

#### **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

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2008**

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**1. ACCOUNTING POLICIES (continued)****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 PROFIT**

Operating profit is stated after charging:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>2,023</b>	2,715
Auditor's remuneration		
- as auditor	<b><u>8,500</u></b>	<b><u>7,000</u></b>

**3. PARTICULARS OF EMPLOYEES**

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

	<b>2008</b>	<b>2007</b>
	<b>No</b>	<b>No</b>
Number of production staff	<b>53</b>	53
Number of administration and management	<b><u>7</u></b>	<b><u>7</u></b>
	<b><u>60</u></b>	<b><u>60</u></b>

The aggregate payroll costs of the above were:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,908,535</b>	1,675,015
Social security costs	<b>169,150</b>	150,508
Other pension costs	<b><u>14,500</u></b>	<b><u>2,400</u></b>
	<b><u>2,092,185</u></b>	<b><u>1,827,923</u></b>

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2008****4. DIRECTORS' EMOLUMENTS**

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

	<b>2008</b>	2007
	<b>£</b>	£
Emoluments receivable	<b><u>146,748</u></b>	<u>107,400</u>

**5. INTEREST RECEIVABLE**

	<b>2008</b>	2007
	<b>£</b>	£
Bank interest receivable	<b><u>19,813</u></b>	<u>16,918</u>

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

	<b>2008</b>	2007
	<b>£</b>	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2007 - 30%)	<b>21,517</b>	161,471
Over/under provision in prior year	<u>-</u>	<u>(493)</u>
Total current tax	<b><u>21,517</u></b>	<u>160,978</u>

**(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% (2007 - 30%).

	<b>2008</b>	2007
	<b>£</b>	£
Profit on ordinary activities before taxation	<b><u>51,273</u></b>	<u>515,696</u>
Profit on ordinary activities by rate of tax	<b>15,382</b>	154,709
Excess depreciation over capital allowances	<b>(76)</b>	(259)
Disallowable expenses	<b>6,466</b>	7,021
Tax chargeable at lower rates	<b>(255)</b>	-
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>(493)</u>
Total current tax (note 6(a))	<b><u>21,517</u></b>	<u>160,978</u>

**7. DIVIDENDS****Equity dividends**

	<b>2008</b>	2007
	<b>£</b>	£
Paid		
Equity dividends on ordinary shares	<b><u>150,000</u></b>	<u>200,000</u>

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2008****8. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Equipment £</b>	<b>Total £</b>
<b>COST</b>				
At 1 July 2007	5,805	9,443	15,960	31,208
Additions	–	3,996	48	4,044
<b>At 30 June 2008</b>	<b>5,805</b>	<b>13,439</b>	<b>16,008</b>	<b>35,252</b>
<b>DEPRECIATION</b>				
At 1 July 2007	5,804	9,107	15,959	30,870
Charge for the year	–	2,016	7	2,023
<b>At 30 June 2008</b>	<b>5,804</b>	<b>11,123</b>	<b>15,966</b>	<b>32,893</b>
<b>NET BOOK VALUE</b>				
<b>At 30 June 2008</b>	<b>1</b>	<b>2,316</b>	<b>42</b>	<b>2,359</b>
At 30 June 2007	1	336	1	338

**9. STOCKS**

	<b>2008 £</b>	<b>2007 £</b>
Stock of materials	64,754	99,261
Work in progress	4,400	27,720
	<b>69,154</b>	<b>126,981</b>

**10. DEBTORS**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	55,134	6,348
Amounts owed by group undertakings	172,478	234,931
Amounts recoverable on long term contract	1,747,758	2,619,016
Other debtors	103,319	191,319
	<b>2,078,689</b>	<b>3,051,614</b>

**11. CREDITORS: Amounts falling due within one year**

	<b>2008 £</b>	<b>2007 £</b>
Payments received on account	1,188,253	736,639
Trade creditors	512,764	1,216,352
Amounts owed to group undertakings	516,467	677,732
Corporation tax	21,517	161,471
Other taxation and social security	–	1,138
Other creditors	100,187	104,332
Accruals and deferred income	8,000	7,000
	<b>2,347,188</b>	<b>2,904,664</b>

Refer to bank security note for details.

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2008****12. SHARE CAPITAL****Authorised share capital:**

	2008 £	2007 £
201,000 Ordinary shares of £1 each	<u>201,000</u>	<u>201,000</u>

**Allotted, called up and fully paid:**

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>200,002</u>	<u>200,002</u>	<u>200,002</u>	<u>200,002</u>

**13. RESERVES**

	Profit and loss account £
Balance brought forward	1,894,229
Profit for the year	29,756
Equity dividends	<u>(150,000)</u>
Balance carried forward	<u>1,773,985</u>

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Profit for the financial year	29,756	354,718
Equity dividends	<u>(150,000)</u>	<u>(200,000)</u>
Net (reduction)/addition to shareholders' funds	<u>(120,244)</u>	154,718
Opening shareholders' funds	<u>2,094,231</u>	<u>1,939,513</u>
Closing shareholders' funds	<u>1,973,987</u>	<u>2,094,231</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.