

**COMPANY REGISTRATION NUMBER 2719531**

**MACOB (SOUTHERN) LIMITED  
ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
30 JUNE 2011**

MONDAY



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**MACOB (SOUTHERN) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2011**

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## **MACOB (SOUTHERN) LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

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#### **The board of directors**

Mr R J Roberts  
Mr P England  
Mr G Bettell  
Mr M S Thomas  
Mr D M Walters

#### **Company secretary**

Mr D M Walters

#### **Registered office**

2 Oldfield Road  
Bocam Park  
Bridgend  
CF35 5LJ

#### **Auditor**

Clay Shaw Thomas Ltd  
Chartered Accountants  
& Statutory Auditor  
2 Oldfield Road  
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 2011**

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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 2011

#### **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 remain difficult, the company continues to maintain reasonable share of the contracts available in the sector and hence has been able to return to profitability

The directors' expect the difficult trading conditions to continue for the foreseeable future but are confident that they can maintain the market share and continue to return profitable results

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £103,926 The directors have not recommended a dividend

#### **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  
Mr D M Walters

Mr T C Goulding retired as a director on 30 June 2011

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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,

## **MACOB (SOUTHERN) LIMITED**

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

#### **YEAR ENDED 30 JUNE 2011**

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- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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**

Macob (Southern) Limited was acquired by Macob Estates Limited in May 2012 during the restructuring of the Macob Holdings Limited Group that involved the disposal of its principal trading subsidiaries to a new holding company.

#### **AUDITOR**

Clay Shaw Thomas Ltd are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office  
2 Oldfield Road  
Bocam Park  
Bridgend  
CF35 5LJ

Signed by order of the directors



MR D M WALTERS  
Company Secretary

Approved by the directors on 9/10/12

**MACOB (SOUTHERN) LIMITED**

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

**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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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 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



MR D GWYN J WILLIAMS  
B A , F C A (Senior Statutory  
Auditor)  
For and on behalf of  
CLAY SHAW THOMAS LTD  
Chartered Accountants  
& Statutory Auditor

2 Oldfield Road  
Bocam Park  
Bridgend  
CF35 5LJ

. 10/5/2012.

**MACOB (SOUTHERN) LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>TURNOVER</b>		<b>7,410,844</b>	8,032,578
Cost of Sales and Other operating income		<b>6,147,421</b>	6,482,287
Administrative expenses		<b>1,119,056</b>	598,403
<b>OPERATING PROFIT</b>	<b>2</b>	<b>144,367</b>	951,888
Interest receivable		—	(1,995)
Interest payable and similar charges	<b>5</b>	<b>(25)</b>	(20)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>144,342</b>	949,873
Tax on profit on ordinary activities	<b>6</b>	<b>40,416</b>	265,964
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>103,926</u></b>	<b><u>683,909</u></b>

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 2011**

	Note	2011 £	£	2010 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		1,797		1,532
<b>CURRENT ASSETS</b>					
Stocks	8	44,475		32,374	
Debtors	9	2,042,571		2,488,786	
Cash at bank and in hand		3,455,774		3,708,169	
		5,542,820		6,229,329	
<b>CREDITORS: Amounts falling due within one year</b>	10	2,497,803		3,287,973	
<b>NET CURRENT ASSETS</b>			3,045,017		2,941,356
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,046,814		2,942,888
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	11	200,002		200,002	
Profit and loss account	12	2,846,812		2,742,886	
<b>SHAREHOLDERS' FUNDS</b>	13		3,046,814		2,942,888

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on . . 9/5/2012 . , and are signed on their behalf by



Mr D M Walters  
Director

Company Registration Number: 2719531

**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 2011**

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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 in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax. Turnover is generated through ground works and related activities in line with the company's principal activities

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done during 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

##### **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:

## **MACOB (SOUTHERN) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2011**

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

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.

#### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

#### **2. OPERATING PROFIT**

Operating profit is stated after charging

	<b>2011</b>	2010
	<b>£</b>	£
Depreciation of owned fixed assets	<b>402</b>	602
Auditor's remuneration		
- as auditor	<b><u>9,500</u></b>	<u>9,500</u>

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2011**

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**3. PARTICULARS OF EMPLOYEES**

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

	<b>2011</b>	2010
	<b>No</b>	No
Number of production staff	<b>28</b>	33
Number of administration and management	<b>5</b>	8
	<b><u>33</u></b>	<u>41</u>

The aggregate payroll costs of the above were

	<b>2011</b>	2010
	<b>£</b>	£
Wages and salaries	<b>2,039,761</b>	1,606,144
Social security costs	<b>169,998</b>	136,292
Other pension costs	<b>5,400</b>	—
	<b><u>2,215,159</u></b>	<u>1,742,436</u>

**4. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2011</b>	2010
	<b>£</b>	£
Remuneration receivable	<b><u>320,891</u></b>	<u>228,084</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2011</b>	2010
	<b>£</b>	£
Interest payable on bank borrowing	<b><u>25</u></b>	<u>20</u>

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

	<b>2011</b>	2010
	<b>£</b>	£
Current tax:		
UK Corporation tax based on the results for the year at 28% (2010 - 28%)	<b><u>40,416</u></b>	265,964
Total current tax	<b><u>40,416</u></b>	<u>265,964</u>

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2011****6. TAXATION ON ORDINARY ACTIVITIES (continued)****(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 28% (2010 - 28%).

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<b><u>144,342</u></b>	<b><u>949,873</u></b>
Profit on ordinary activities by rate of tax	<b><u>40,416</u></b>	<b><u>265,964</u></b>
Total current tax (note 6(a))	<b><u>40,416</u></b>	<b><u>265,964</u></b>

**7. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; Machinery</b>	<b>Fixtures &amp; Fittings</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
At 1 July 2010	<b>5,805</b>	<b>14,049</b>	<b>17,415</b>	<b>37,269</b>
Additions	<b>—</b>	<b>—</b>	<b>667</b>	<b>667</b>
<b>At 30 June 2011</b>	<b><u>5,805</u></b>	<b><u>14,049</u></b>	<b><u>18,082</u></b>	<b><u>37,936</u></b>
<b>DEPRECIATION</b>				
At 1 July 2010	<b>5,804</b>	<b>13,622</b>	<b>16,311</b>	<b>35,737</b>
Charge for the year	<b>—</b>	<b>91</b>	<b>311</b>	<b>402</b>
<b>At 30 June 2011</b>	<b><u>5,804</u></b>	<b><u>13,713</u></b>	<b><u>16,622</u></b>	<b><u>36,139</u></b>
<b>NET BOOK VALUE</b>				
<b>At 30 June 2011</b>	<b><u>1</u></b>	<b><u>336</u></b>	<b><u>1,460</u></b>	<b><u>1,797</u></b>
At 30 June 2010	<b><u>1</u></b>	<b><u>427</u></b>	<b><u>1,104</u></b>	<b><u>1,532</u></b>

**8. STOCKS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Stock of materials	<b><u>44,475</u></b>	<b><u>32,374</u></b>

**9. DEBTORS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>4,362</b>	<b>71,358</b>
Amounts owed by group undertakings	<b>242,946</b>	<b>210,021</b>
Amounts recoverable on long term contract	<b>1,679,201</b>	<b>2,093,982</b>
Other debtors	<b>114,862</b>	<b>113,425</b>
Directors current accounts	<b>1,200</b>	<b>—</b>
	<b><u>2,042,571</u></b>	<b><u>2,488,786</u></b>

**MACOB (SOUTHERN) LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30 JUNE 2011****10. CREDITORS: Amounts falling due within one year**

	2011	2010
	£	£
Payments received on account	551,660	1,025,251
Trade creditors	1,023,697	1,265,515
Amounts owed to group undertakings	703,257	584,464
Other creditors including taxation and social security		
Corporation tax	40,416	265,964
Other taxation and social security	718	1,246
Other creditors	168,555	136,033
	<u>2,488,303</u>	<u>3,278,473</u>
Accruals and deferred income	9,500	9,500
	<u>2,497,803</u>	<u>3,287,973</u>

Refer to bank security note for details

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

	2011	2010
	£	£
201,000 Ordinary shares of £1 each	<u>201,000</u>	<u>201,000</u>

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

	2011		2010	
	No	£	No	£
200,002 Ordinary shares of £1 each	200,002	200,002	200,002	200,002

**12. PROFIT AND LOSS ACCOUNT**

	2011	2010
	£	£
Balance brought forward	2,742,886	2,058,977
Profit for the financial year	103,926	683,909
Balance carried forward	<u>2,846,812</u>	<u>2,742,886</u>

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

	2011	2010
	£	£
Profit for the financial year	103,926	683,909
Opening shareholders' funds	2,942,888	2,258,979
Closing shareholders' funds	<u>3,046,814</u>	<u>2,942,888</u>

## **MACOB (SOUTHERN) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30 JUNE 2011**

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#### **14. GOING CONCERN**

Macob (Southern) Limited was acquired by Macob Estates Limited in May 2012 as part of a restructuring of the Macob Holdings Limited Group that involved the disposal of its principal trading subsidiaries to a new holding company

As part of the restructuring the directors', of Macob Estates Limited, negotiated an overdraft facility to meet the Group's anticipated day-to-day working capital requirements together with development loans that are not due for renewal until April 2013. Macob (Southern) Limited continues to cross guarantee the group overdraft facility made available to its parent company and fellow subsidiary undertakings via a master guarantee dated 6th February 2002, which is secured by a fixed and floating charge over its assets

Since the year end, Macob (Southern) Limited continues to be profitable and cash generative. The Macob Estates Group forecasts, taking into account reasonable possible changes in trading performance, also show that it is expected to operate within the facilities it has negotiated

On this basis the directors are of the opinion that, at the time of approving the financial statements, that there is reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis for preparing the financial statements

#### **15. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking of Macob (Southern) Limited is Macob Estates Limited, a company registered in Wales, who acquired 100% of the issued share capital on the 04 May 2012 from Macob Holdings Limited

The ultimate controlling party is Mr R J Roberts who has a beneficial interest in 77% of the issued share capital of Macob Estates 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