

**Martech Technical Services Limited**

**Directors' report and financial  
statements**

**Registered number 2769370**

**For the year ended 31 December 2003**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

### Principal activity and business review

Previously, the principal activities of the company was the hire and development of specialist equipment and the provision of technical and consultancy services to contractors operating in the electro chemical repair of reinforced concrete. On 1 January 2003, the whole of the trade and assets of Martech Technical Services Limited were transferred to Makers UK Limited, a fellow group company, at a value equal to the net asset value of the company at 31 December 2002.

### Dividends

The directors do not recommend the payment of a final dividend for the year (2002: £Nil).

### Directors and their interests

The directors who served during the year are as follows:

Mr T Dobson	(resigned 31 March 2004)
Mr K Whitehouse	
Mr AD Hammond	(resigned 12 December 2003)
Mr JR Atkinson	(appointed 28 January 2004)
Mr JWG Hind	(appointed 28 January 2004)

As at 31 December 2003 no director had any beneficial interests in the company.

At 31 December 2003, the interests of Mr K Whitehouse in the ultimate holding company, Keller Group plc, were as follows:

	Ordinary shares		Share options	
	31 December 2003	1 January 2003	1994 scheme	Unapproved plan
K Whitehouse	98,328	149,483	5,000	7,500

Options under both plans are normally exercisable within three to ten years of the date of the grant.

### Deferred Annual Bonus ("DAB") Scheme

The DAB scheme was a bonus-related long-term incentive scheme which the ultimate parent company, Keller Group plc, operated for the last time in respect of the 1998 annual bonus. Kevan Whitehouse had an interest in 2,409 Deferred Shares at 1 January 2003 and was awarded 2,409 Matched Shares on 9 March 2003. Both the Deferred Shares and Matched Shares vested on 9 March 2003.

Mr JR Atkinson is a director of the ultimate parent company, Keller Group plc, and his interests in that company are disclosed in its financial statements.

### Auditors

In accordance with Sections 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



**K Whitehouse**  
Secretary

Birmingham Road  
Coventry  
CV5 9AB

9 July 2004

## **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 of the company 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

## **Independent auditors' report to the members of Martech Technical Services Limited**

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

### ***Basis of audit 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 the 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 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 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

9 July 2004

**Profit and loss account**  
*for the year ended 31 December 2003*

	<i>Note</i>	<b>2003 £'000</b>	<b>2002 £'000</b>
Turnover – discontinued operations	2	-	724
Operating profit – discontinued operations and profit on ordinary activities before taxation	3	-	51
Taxation on profit on ordinary activities	6	-	(17)
Profit on ordinary activities after taxation being retained profit for the financial year	12	-	34

The notes on pages 6 to 10 form part of these financial statements.

**Balance sheet**  
*at 31 December 2003*

	<i>Note</i>	<b>2003</b>	<b>2002</b>
		<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Tangible assets	7	-	4
<b>Current assets</b>			
Debtors	8	-	202
Cash at bank and in hand		-	35
		<u>-</u>	<u>237</u>
<b>Creditors: Amounts falling due within one year</b>	9	<b>(108)</b>	<b>(349)</b>
		<u>-</u>	<u>-</u>
<b>Net current liabilities</b>		<b>(108)</b>	<b>(112)</b>
<b>Net liabilities</b>		<b>(108)</b>	<b>(108)</b>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	12	(109)	(109)
		<u>-</u>	<u>-</u>
<b>Equity shareholders' funds</b>	13	<b>(108)</b>	<b>(108)</b>
		<u>-</u>	<u>-</u>

These financial statements were approved by the board of directors on 9 July 2004 and were signed on its behalf by:



**K Whitehouse**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company has net liabilities of £108,000 (2002: £108,000). The ultimate parent undertaking, Keller Group plc have confirmed their willingness to continue to support the above company for a period of at least twelve months to enable the company to continue to trade and pay its debts as they fall due. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Under Financial Reporting Standard No 8, the company is exempt from the requirement to disclose transactions with entities that are part of the Keller group on the grounds that it is wholly owned by a parent undertaking which includes the company in its own published consolidated financial statements.

#### ***Turnover***

Turnover represents the valuation of work done on contracts performed during the year on behalf of clients and the invoiced value of goods and services charged to clients, excluding value added tax.

#### ***Depreciation***

Depreciation is provided on all other tangible fixed assets in order to write off the original cost less estimated residual value of those assets over their estimated useful lives at the following annual rates:

Plant and equipment	12½% straight line
Computers	33% straight line
Motor vehicles	25% straight line

#### ***Taxation***

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made on an undiscounted basis on all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date.

#### ***Lease rentals***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

#### ***Research and development***

Expenditure on research and development is written off against profits as incurred.

#### ***Pensions***

The company is a participating employer in the Keller Group Pension Scheme (Makers' Section). In the UK, the group operates a defined benefit scheme based upon final salary. Contributions have been made in line with the funding rates recommended by the actuary for the schemes as a whole. Pension costs charged to the profit and loss account are based on actuarial valuations and are calculated to spread the cost of providing pensions over the period of the employees' service.

The company also operates a defined contribution scheme, with the amounts charged to the profit and loss account representing contributions relating to the accounting period.



## Notes (continued)

### 2 Turnover

In the opinion of the directors the company does not operate in more than one class of business.

The turnover of £Nil (2002: £724,000) primarily arose in the UK and Europe from the activity of the hiring of specialist equipment and the provision of technical consultancy services to contractors included in the electrochemical repair of reinforced concrete.

### 3 Operating profit

	2003 £'000	2002 £'000
<i>Operating profit is stated</i>		
<i>after charging:</i>		
Raw materials and consumables	-	27
Other external operating charges	-	294
Wages and salaries	-	300
Social security costs	-	20
Other pension costs	-	16
Rental for hire of plant and vehicles under operating leases	-	7
Auditors' remuneration	-	2
Depreciation on owned assets	-	7
	<hr/>	<hr/>
	-	673
	<hr/>	<hr/>

Fees in respect of other services provided by the auditors and their associates amounted to £Nil (2002: £1,800).

### 4 Directors' emoluments

There were no directors' emoluments in respect of executive service (2002: £Nil).

### 5 Staff numbers

The average number of persons employed by the company during the year, analysed by category, was as follows:

	2003 Number	2002 Number
Administration	-	11
	<hr/>	<hr/>

## Notes (continued)

### 6 Taxation on profit/(loss) on ordinary activities

The charge for taxation is as follows:

	2003 £'000	2002 £'000
UK corporation tax	-	16
Deferred tax (see note 10)	-	1
	<hr/>	<hr/>
	-	17
	<hr/>	<hr/>

#### Factors affecting the tax charge for the year

	2003 £'000	2002 £'000
Profit on ordinary activities before tax	-	51
	<hr/>	<hr/>
Profit on ordinary activities multiplied by 30% (2002: 30%)	-	15
Effects of:		
Capital allowances for the period in excess of depreciation	-	(1)
Expenses not deductible for tax purposes	-	2
	<hr/>	<hr/>
Tax charge for the year	-	16
	<hr/>	<hr/>

### 7 Tangible fixed assets

	Plant, machinery and motor vehicles £'000
<b>Cost or valuation</b>	
At beginning of year	142
Transfer to group undertaking	(142)
	<hr/>
At end of year	-
	<hr/>
<b>Depreciation</b>	
At beginning of year	138
Transfer to group undertaking	(138)
	<hr/>
At end of year	-
	<hr/>
<b>Net book value</b>	
At 31 December 2003	-
	<hr/>
At 31 December 2002	4
	<hr/>

#### Commitments

There were no capital commitments at 31 December 2003 (2002: £Nil).

## Notes (continued)

### 8 Debtors

	2003 £'000	2002 £'000
Trade debtors	-	199
Other debtors	-	3
	<u>-</u>	<u>202</u>

### 9 Creditors: Amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	-	40
Amounts owed to fellow subsidiary undertakings	108	274
Taxation and social security	-	35
	<u>108</u>	<u>349</u>
Taxation and social security comprises:		
Other taxes and social security	-	17
Corporation and withholding tax	-	18
	<u>-</u>	<u>35</u>

### 10 Deferred taxation

Full provision for deferred taxation has been made at 30% (2002: 30%) analysed as follows:

	2003 £'000	2002 £'000
Accelerated capital allowances	-	(3)
Opening balance	-	(4)
Deferred tax charged to the profit and loss account in the year	-	1
At end of year	<u>-</u>	<u>(3)</u>

### 11 Called up share capital

	2003 £'000	2002 £'000
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid:</b>		
1,000 ordinary shares of £1 each	1	1

## Notes (continued)

### 12 Reserves

	Profit and loss account £'000
At beginning and end of year	(109)

### 13 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Opening shareholders' funds	(108)	(142)
Profit for the financial year	-	34
Closing deficit on equity shareholders' funds	(108)	(108)

### 14 Pension schemes

The company is a member of a pension scheme providing benefits based on final pensionable pay. Because the company is unable to identify its shares of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 "Retirement Benefits", the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme.

### 15 Ultimate parent company

The ultimate parent undertaking is Keller Group plc, a company registered in England and Wales. Keller Group plc prepares group financial statements which includes this company's financial statements. There are no other group financial statements which include the financial statement of this company. A copy of the group financial statements can be obtained from:

Aztec House  
 397-405 Archway Road  
 London  
 N6 4EY