

## **Directors' report and financial statements**

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## **Directors' report**

The directors present their annual report and audited financial statements for the year ended 31 December 1998.

### **Principal activities**

Makers Holdings Limited is a wholly owned subsidiary of Keller Group plc. The company is the parent company of Makers Industrial Limited and Martech Services Limited.

The company is a wholly owned subsidiary of Keller Group plc.

### **Directors and their interests**

The directors who served during the year are as follows:

T Dobson  
MWC Martin  
K Whitehouse  
JW Maker (resigned 31 December 1998)

Mr T Dobson and Mr MWC Martin are directors of the ultimate holding company, Keller Group plc. Their interests in the ultimate holding company are disclosed in the accounts of that company. Mr K Whitehouse is also a director of Keller Limited, a fellow subsidiary undertaking and his interests in Keller Group Limited are disclosed in the financial statements of that company.

No other director had any beneficial interests in the company.

### **Results**

The company did not trade and made no profit or loss during the period.

### **Dividends**

The directors do not recommend the payment of a dividend for the year (1997: £Nil).

### **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.

## **Directors' report** *(continued)*

### **Year 2000**

The company has identified the key business risks relevant to Year 2000 compliance. Programmes have been established throughout the company to ensure that the business will not be adversely affected by problems associated with the date change in the new millennium, although no assurance can be given that these programmes will be successful. These programmes have identified those areas in which there is a need for the upgrading of computer software and hardware and, where appropriate, the replacement of relevant accounting, administration and operating systems. Additional costs of ensuring that systems are Year 2000 compliant have been calculated but are not considered to be material.

### **Auditors**

In accordance with Section 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



Oxford Road  
Ryton-on-Dunsmore  
Coventry  
CV8 3EG

3 March 1999



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

## **Auditors' report to the members of Makers Holdings Limited**

We have audited the financial statements on pages 5 to 7.

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

As described on page 2, the company's directors are responsible for the preparation of financial statements. 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 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 1998 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads 'KPMG Audit Plc'.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

3 March 1999

**Balance sheet**  
**at 31 December 1998**

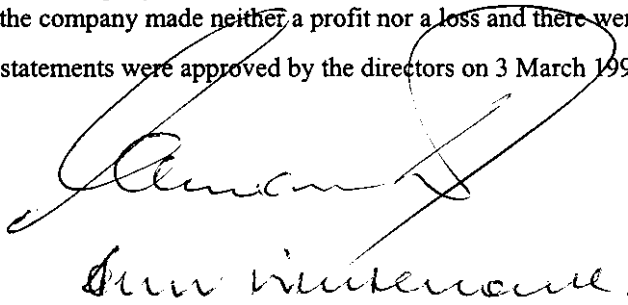
	<i>Note</i>	<b>31 December 1998</b> <b>£'000</b>	<b>31 December 1997</b> <b>£'000</b>
<b>Fixed assets</b>			
Investment in subsidiary undertakings	2	244	244
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital, being equity shareholders' funds	3	244	244
		<hr/>	<hr/>

During the year the company did not trade and received no income and incurred no expenditure. Consequently, during the year the company made neither a profit nor a loss and there were no recognised gains or losses.

These financial statements were approved by the directors on 3 March 1999 and signed on its behalf by:

**MWC Martin**  
*Director*

**K Whitehouse**  
*Director*

The block contains two handwritten signatures. The first signature, for MWC Martin, is written in dark ink and is a cursive, stylized name. The second signature, for K Whitehouse, is also in dark ink and is a cursive name. Both signatures are positioned to the right of their respective printed names.

## Notes

*(forming part of the financial statements)*

### 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 of the company have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Group financial statements*

Consolidated financial statements have not been prepared as the company is itself a wholly owned subsidiary of another UK company.

#### *Cashflow statement*

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking.

### Fixed assets

	1998 £000	1997 £000
Investment in subsidiary undertakings	244	244
At beginning of year	244	-
Additions	-	244
At end of year	244	244

The company's subsidiary undertakings are:-

	% of issued share capital
Makers Industrial Limited	100
Martech Services Limited	100

The subsidiary undertakings are registered in England and Wales.

## Notes (continued)

### Equity share capital

	£'000
Authorised:	
3,000,000 ordinary shares of £1 each	3,000
2,000,000 "A" management shares of £1 each	2,000
100,000 Makers Industrial Ltd Management shares of 1p each	1
100,000 Martech Services Ltd Management shares of 1p each	1
	<hr/> 5,002 <hr/>
Allotted, called up and fully paid:	
171,000 ordinary shares of £1 each	171
72,675 "A" management shares of £1 each	73
275 Makers Industrial Ltd Management shares of 1p each	-
275 Martech Services Ltd Management shares of 1p each	-
	<hr/> 244 <hr/>

### Directors' emoluments

No director received any emoluments during the year (1997: £nil).

### Contingent liabilities

The company along with the ultimate parent undertaking and its fellow UK and US subsidiaries has given cross guarantees on each other borrowings. At 31 December 1998, the company liability in respect of this amounted to £12,153,000 (1997: £10,031,965). Legal charges exist over certain assets of the company to secure borrowings and banking facilities.

### Ultimate parent company

The ultimate parent undertaking is Keller Group plc, a company registered in England and Wales.

Copies of the financial statements of Keller Group plc may be obtained from the Secretary, Keller Group plc, Aztec House, 397-405 Archway Road, London, N6 4EY.