

Makers Holdings Limited

Directors' report and financial statements

For the year ended 31 December 1999
Registered number 03158850

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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 1999.

Principal activities

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

Directors and their interests

The directors who served during the year are as follows:

T Dobson
MWC Martin
K Whitehouse

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 financial statements of that company. Mr K Whitehouse is also a director of Keller Limited, a fellow subsidiary undertaking and his interests in Keller Group plc are disclosed in the financial statements of that 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 (1998: £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)

Millennium

The millennium date change has occurred with no significant impact on the business critical systems and processes. The situation will continue to be monitored and contingency plans remain in place to deal with any issues should they arise.

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 May 2000



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 4 to 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, 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. We also report to you if, in our opinion, the directors' 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 directors' 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 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

3 May 2000

Balance sheet
at 31 December 1999

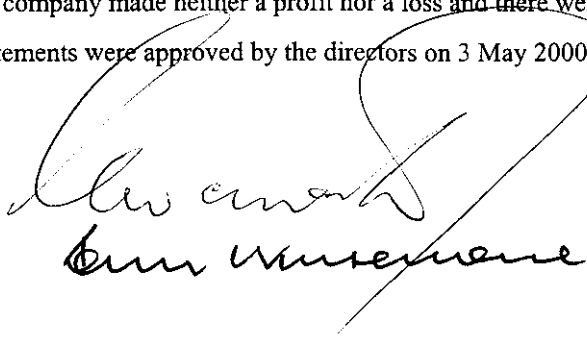
| | <i>Note</i> | 31 December 1999 £000 | 31 December 1998 £000 |
|---|-------------|--------------------------------------|--------------------------------------|
| Fixed assets | | | |
| Investment in subsidiary undertakings | 2 | 244 | 244 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called 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 May 2000 and signed on its behalf by:

MWC Martin
Director

K Whitehouse
Director

Handwritten signatures of MWC Martin and K Whitehouse. The signature of MWC Martin is a large, stylized cursive 'M'. The signature of K Whitehouse is a cursive 'K' followed by 'Whitehouse'.

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 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.

2 Fixed assets

| | 1999 £000 | 1998 £000 |
|---------------------------------------|--------------|--------------|
| Investment in subsidiary undertakings | 244 | 244 |
| At beginning of year | 244 | 244 |
| Additions | - | - |
| At end of year | 244 | 244 |

The company's subsidiary undertakings are:-

| | % of issued share capital owned |
|------------------------------------|------------------------------------|
| Makers UK Limited | 100 |
| Martech Technical Services Limited | 100 |

The subsidiary undertakings are registered in England and Wales.

Notes (continued)

3 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 UK Ltd Management shares of 1p each

1

100,000 Martech Technical Services Ltd Management shares of 1p each

1

5,002

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 UK Ltd Management shares of 1p each

-

275 Martech Technical Services Ltd Management shares of 1p each

-

244

4 Directors' emoluments

No director received any emoluments during the year (1998: £nil).

5 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.