

REGISTRAR

3338449

## **Ebac Management Services Limited**

### **Report and Financial Statements**

31 December 2002

 **ERNST & YOUNG**



# Ebac Management Services Limited

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Registered No: 3338449

## **Directors**

S Peacock  
S R Lilly  
G Currie  
C Elliott (resigned 17 March 2003)  
F Tarbah (resigned 10 February 2003)  
P Gillespie  
P D Hutchison  
M R Elliott  
A Hird

## **Secretary**

A Hird

## **Auditors**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

## **Bankers**

HSBC Bank plc  
1 Saddler Street  
Durham  
DH1 3NR

## **Solicitors**

Eversheds  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3XX

## **Registered Office**

St Helen Industrial Estate  
Bishop Auckland  
Co Durham  
DL14 9AL

## Director's report

The directors' present their annual report and the audited financial statements for the year ended 31 December 2002.

### Principal activities

The company's principal activity during the year was that of management services.

### Business review

The profit for the year after taxation was £20,888 (2001: £10,056).

### Proposed dividend

The directors do not recommend the payment of a dividend (2001: £Nil).

### Directors and their interests

The directors who held office during the year were as follows:

S Peacock  
S R Lilly  
G Currie  
C Elliott  
F Tarbah  
P Gillespie  
P D Hutchison  
M R Elliott  
A Hird

The directors who held office at the end of the financial year had the following interests in the shares of other group companies, according to the register of directors' interests:

		<i>Class of share or debenture</i>	<i>Interest at end of year</i>	<i>Interest at start of year or date of appointment</i>
	<i>Company</i>			
S Peacock	Ebac Group Limited	Ordinary	61,067	61,067
S R Lilly	Ebac Group Limited	Ordinary	60,000	60,000
G Currie	Ebac Group Limited	Ordinary	10,000	10,000
F Tarbah	Ebac Group Limited	Ordinary	30,000	30,000
P Gillespie	Ebac Group Limited	Ordinary	80,000	30,000
P D Hutchinson	Ebac Group Limited	Ordinary	10,000	10,000
M R Elliott	Ebac Group Limited	Ordinary	-	-
A Hird	Ebac Group Limited	Ordinary	20,000	20,000
S Peacock	Ebac Group Limited	Preference	26,650	26,650
S R Lilly	Ebac Group Limited	Preference	-	-
S Thompson	Ebac Group Limited	Preference	-	-
G Currie	Ebac Group Limited	Preference	-	-
P Gillespie	Ebac Group Limited	Preference	-	-
P D Hutchinson	Ebac Group Limited	Preference	-	-
M R Elliott	Ebac Group Limited	Preference	-	-
A Hird	Ebac Group Limited	Preference	-	-

## Director's report

### Directors and their interests

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in the company (or any other group company) were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



A Hird  
Secretary  
7 May 2003

## Statement of directors' responsibilities in respect of the financial statements

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

## **Independent auditors' report**

**to the members of Ebac Management Limited**

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 auditors' 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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.

**Independent auditors' report**

to the members of Ebac Management Limited (continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Newcastle upon Tyne

7 May 2003

## Profit and loss account

for the year ended 31 December 2002

	Note	2002 £	2001 £
<b>Turnover</b>	1	609,108	445,488
Cost of sales	4	583,240	425,277
<b>Gross profit</b>		25,868	20,211
Administrative expenses		-	7,641
<b>Operating profit</b>		25,868	12,570
Tax on profit on ordinary activities	5	4,980	2,514
<b>Retained profit for the year</b>		20,888	10,056

All activities relate to continuing operations.

### Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit attributable to shareholders of the company of £20,888 for the year ended 31 December 2002 and the profit of £10,056 in the year ended 31 December 2001.



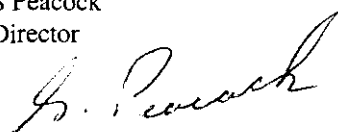
# Balance sheet

at 31 December 2002

	Notes	2002 £	2001 £
<b>Current assets</b>			
Debtors	6	160,000	35,503
Cash at bank and in hand		-	89,390
		<u>160,000</u>	<u>124,893</u>
<b>Creditors:</b> amounts falling due within one year	7	79,941	65,722
		<u>80,059</u>	<u>59,171</u>
<b>Net current assets</b>		<u>80,059</u>	<u>59,171</u>
		<u>80,059</u>	<u>59,171</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	80,057	59,169
		<u>80,059</u>	<u>59,171</u>
<b>Equity Shareholders' funds</b>	10	<u>80,059</u>	<u>59,171</u>

These financial statements were approved by the Board of Directors on 7 May 2003 and were signed on its behalf by:

S Peacock  
Director



## Notes to the financial statements

at 31 December 2002

### 1. 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 preparation*

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Ebac Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Ebac Group Limited, within which this company is included, can be obtained from the address given in note 13.

#### *Post retirement benefits*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### *Deferred taxation*

Deferred taxation is provided in full using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

### 2. Analysis of turnover and profit on ordinary activities before taxation

All turnover and the profit on ordinary activities before taxation is derived from the company's principal activity.

Auditors' remuneration is paid by the parent company on behalf of Ebac Management Services Limited.

### 3. Directors' remuneration

	2002 £	2001 £
Directors' emoluments	579,065	419,729
Company contributions to Money Purchase pension schemes	4,175	5,548

The emoluments of the highest paid director were £92,500 (2001: £70,929) and company pension contributions of £Nil (2001: £Nil) were made to a Money Purchase Scheme on his behalf.

## Notes to the financial statements

at 31 December 2002

### 3. Directors' remuneration (continued)

	<i>Number of directors</i>	
	<i>2002</i>	<i>2001</i>
	<i>No.</i>	<i>No.</i>
Retirement benefits are accruing to the following number of directors under:		
Money Purchase schemes	8	9

### 4. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	<i>Number of employees</i>	
	<i>2002</i>	<i>2001</i>
	<i>No.</i>	<i>No.</i>
Management	8	9

The aggregate payroll costs of these persons were as follows:

	<i>2002</i>	<i>2001</i>
	<i>£</i>	<i>£</i>
Wages and salaries	502,039	380,206
Social security costs	77,026	39,523
Other pension costs	4,175	5,548
	<u>583,240</u>	<u>425,277</u>

### 5. Taxation

#### (a) Tax on profit on ordinary activities

	<i>2002</i>	<i>2001</i>
	<i>£</i>	<i>£</i>
UK Corporation tax at 19.25% (2001: 20%) (note 5(b))	4,980	2,514

#### (b) Factors affecting current tax charge

	<i>2002</i>	<i>2001</i>
	<i>£</i>	<i>£</i>
Profit on ordinary activities before taxation	25,868	12,570
Profit on ordinary activities multiplied by a standard rate of corporation tax in the UK of 19.25% (2001:20%)	4,980	2,514
Total current tax (note 5(a))	<u>4,980</u>	<u>2,514</u>

## Notes to the financial statements

at 31 December 2002

### 6. Debtors

	2002	2001
	£	£
Amounts owed by group undertakings	160,000	35,503

### 7. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank Overdraft	31,819	-
Corporation tax	20,731	2,514
Taxation and social security	12,656	11,429
Other creditors	14,735	11,779
Dividend proposed	-	40,000
	79,941	65,722

### 8. Called up share capital

	2002	2001
	£	£
Authorised Equity: ordinary shares of £1 each	2	2
Allotted, called up and fully paid Equity: ordinary shares of £1 each	2	2

### 9. Reserves

	<i>Profit and loss account</i>
	£
At 1 January 2002	59,169
Profit for the year	20,888
At 31 December 2002	80,057

### 10. Reconciliation of movement in equity shareholders' funds

	2002	2001
	£	£
Profit for the financial year	20,888	10,056
Net addition to equity shareholders' funds	20,888	10,056
Opening equity shareholders' funds	59,171	49,115
Closing equity shareholders' funds	80,059	59,171

## Notes to the financial statements

at 31 December 2002

### 11. Commitments

There were no capital commitments at the end of the financial year (2001: £Nil).

### 12. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £4,175 (2001: £5,548).

Contributions amounting to £1,792 (2001: £Nil) were payable to the fund and are included in creditors.

### 13. Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Ebac Limited, incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Ebac Group Limited, incorporated in England. The consolidated financial statements of this company are available to the public and may be obtained from Ebac Group Limited, St Helen Trading Estate, Bishop Auckland, County Durham, England.

The ultimate controlling party is deemed to be the directors, who act in concert.