

Registered

Company Number: 3501775

Charterhouse Holdings U.K. Limited
Consolidated Financial Statements
for the year ended 31st December 2000



Charterhouse Holdings U.K. Limited

Company Information

Company No: 3501775

Chairman

A. H. Pontin

Registered Office

Mill Green House,
48/50, Mill Green Road,
Mitcham,
Surrey, CR4 4HY

Directors

A. H. Pontin
R. F. Wookey

Secretary

R. F. Wookey

Auditors

Masons
20-24 High Street
Rayleigh
Essex
SS6 7EF

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Charterhouse Holdings U. K. Limited

Directors' Report

for the year ended 31st December 2000

The directors submit their report together with the audited consolidated financial statements for the year ended 31st December 2000.

Directors' Statement

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 group and of the loss 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 group 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 group and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and Dividends

The loss for the year after taxation and dividends for the group was £106,636 which has been transferred from reserves.

The directors recommend that a dividend of £30,000 (1999 £94,000) be paid for the year.

Principal Activity and Business Review

The group is principally engaged in the supply of building materials and services to the construction industry.

Year 2000 has been a consolidation year with performance below expectations for Charterhouse. After a promising start in the first quarter an anticipated lift in sales over the previous year failed to materialise. This mirrors industry figures, which reflect a downturn in demand for bricks and blocks in the second half of the year due to adverse weather which produced the wettest winter on record and some market uncertainty resulting in delayed orders.

The company has been operating successfully for ten years through varied market climates with motivated and capable management and staff who are well known in the industry. Additional highly qualified staff joined the company in 2000 which has broadened the range of skills and geographical coverage.

Relationships with key customers and the principal suppliers continue to be excellent and the company has further developed sophisticated MIS support systems, which provides a strong platform for new business development.

Charterhouse Holdings U. K. Limited
Directors' Report
for the year ended 31st December 2000

Directors and their Interests

The Directors who served during the year and their interests in the share capital of the company were as follows:-

	Ordinary shares of £1 each	
	2000 No.	1999 No.
A. H. Pontin	5,000	5,000
R. F Wookey	5,000	5,000

Political and Charitable Contributions

During the year payments of a charitable nature amounted to £738. There were no contributions to political organisations.

Policy on payment of creditors

In respect of all of its suppliers it is the company's policy to settle the terms of payment when agreeing the terms of each transaction, to ensure that its suppliers are made aware of these terms of payment and abide by them.

For the year ended 31st December 2000 the average payment term was 45 days (1999 - 55 days).

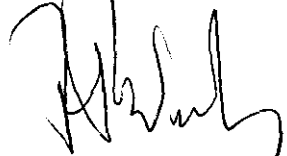
Tax Status

The company is a close company as defined by S414 of the Income and Corporation Taxes Act 1988.

Auditors

The Auditors, Masons, Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



R. F. Wookey, Secretary

18th April 2001

Charterhouse Holdings U. K. Limited
Auditors' Report to the Shareholders
on the Consolidated Accounts for the year ended 31st December 2000

We have audited the financial statements on pages 4 to 13, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of the directors and auditors

As described on page 1 the group's directors are responsible for the preparation of the 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 have 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 group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we consider 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31st December 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Masons
Chartered Accountants
and Registered Auditors

18th April 2001

20-24 High Street
Rayleigh
Essex
SS6 7EF

Charterhouse Holdings U. K. Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2000

	Notes	2000 £	1999 £
Turnover	2	9,333,916	11,354,581
Cost of sales		<u>8,556,379</u>	<u>10,318,192</u>
Gross profit		777,537	1,036,389
Administrative expenses		<u>769,848</u>	<u>745,599</u>
Operating profit	3	7,689	290,790
Interest receivable		2,223	71
Interest payable	4	<u>(90,023)</u>	<u>(75,472)</u>
(Loss)/Profit on ordinary activities before Taxation		(80,111)	215,389
Tax on (loss)/profit on ordinary activities	6	<u>3,475</u>	<u>(53,122)</u>
(Loss)/Profit on ordinary activities after taxation		(76,636)	162,267
Dividends		<u>30,000</u>	<u>94,000</u>
Retained (loss)/profit transferred to reserves		<u>(106,636)</u>	<u>68,267</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Charterhouse Holdings U. K. Limited

Consolidated Balance Sheet

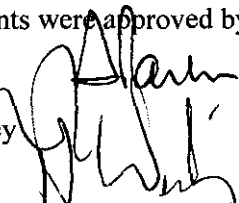
as at 31st December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible fixed assets	7		17,804		18,741
Intangible fixed assets	8		<u>660,224</u>		<u>689,465</u>
			678,028		708,206
Current Assets					
Stock	11	152,231		91,170	
Debtors	12	1,313,364		2,003,335	
Cash at bank and in-hand		<u>3,712</u>		<u>11,603</u>	
		1,469,307		2,106,108	
Creditors:					
Amounts falling due within one year	13	<u>2,145,688</u>		<u>2,706,031</u>	
Net Current Liabilities			<u>(676,381)</u>		<u>(599,923)</u>
Total Assets Less Current Liabilities			<u>1,647</u>		<u>108,283</u>
Capital and Reserves					
Share capital	15		10,000		10,000
Profit and loss account	16		<u>(8,353)</u>		<u>98,283</u>
			<u>1,647</u>		<u>108,283</u>
Analysis of shareholders' funds					
Equity interests	17		<u>1,647</u>		<u>108,283</u>

These accounts were approved by the board on 18th April 2001

A. H. Pontin

R. F. Wookey



Charterhouse Holdings U. K. Limited

Company Balance Sheet

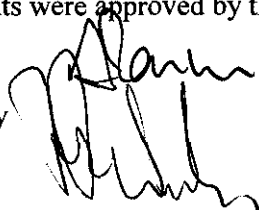
as at 31st December 2000

	Notes	2000	2000	1999	1999
		£	£	£	£
Fixed Assets	9				
Investments		2,121,957		2,114,264	
Current Assets					
Debtors	12	10,000		10,000	
Cash at bank and in-hand		<u>906</u>		<u>1,173</u>	
		10,906		11,173	
Creditors:					
Amounts falling due within one year	13	<u>-</u>		<u>94,000</u>	
Net Current Assets/(Liabilities)			<u>10,906</u>	<u>(82,827)</u>	
Total Assets Less Current Liabilities			2,132,863	2,031,437	
Creditors:					
Amounts falling due after more than one year	14		<u>2,122,863</u>	<u>2,021,437</u>	
			<u>10,000</u>	<u>10,000</u>	
Capital and Reserves					
Share capital	15		10,000	10,000	
Profit and loss account	16		<u>-</u>	<u>-</u>	
			<u>10,000</u>	<u>10,000</u>	
Analysis of shareholders' funds					
Equity interests	17		<u>10,000</u>	<u>10,000</u>	

These accounts were approved by the board on 18th April 2001

A. H. Pontin

R. F. Wookey



The notes on pages 8 to 13 form part of these financial statements.

Charterhouse Holdings U. K. Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2000

	Notes	2000 £	1999 £
Cash Flow from Operating Activities	20	(42,737)	156,115
Returns on Investments and Servicing of Finance	21	(87,800)	(75,401)
Taxation		(54,525)	(76,627)
Capital Expenditure and Financial Investment	22	(14,304)	(18,543)
Equity Dividend Paid		<u>(30,000)</u>	<u>-</u>
Decrease in Cash in the year	23	<u>(229,366)</u>	<u>(14,456)</u>
Reconciliation of Net Cash Flow to movement in Net Debt			
Decrease in Cash in the year		(229,366)	(14,456)
Net debt at 1st January 2000		<u>(572,441)</u>	<u>(557,985)</u>
Net debt at 31st December 2000	23	<u><u>(801,807)</u></u>	<u><u>(572,441)</u></u>

Charterhouse Holdings U. K. Limited
Notes to the Consolidated Financial Statements
31st December 2000

1. Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Basis of Consolidation

The group accounts consolidate the accounts of Charterhouse Holdings U. K. Limited and its sole subsidiary undertaking, Charterhouse Construction Materials Plc, drawn up to 31st December each year. No profit and loss account is presented for Charterhouse Holdings U.K. Limited as provided by section 230 of the Companies Act 1985.

Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

Goodwill

Purchased goodwill represents the difference between the cost of the acquired subsidiary undertaking and the aggregate of the fair values of that undertakings identifiable assets and liabilities

Purchased goodwill is amortised on a straight line based over a period of twenty years from the date of purchase.

Depreciation

Depreciation is calculated to write off the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Computer equipment	over three years
Fixtures, fittings and equipment	20% reducing balance basis

Investments

Investments are included at cost less amounts written off.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting year.

2. Turnover

The turnover and operating profit for the year was derived from the group's principal activities and was carried out wholly in the U.K.

3. Operating Profit

The operating profit is stated after charging:	2000	1999
	£	£
Hire of plant and machinery - operating leases	20,570	17,013
Other operating lease rentals	23,000	18,500
Amounts payable to the auditors in respect of audit services	6,000	6,000
Depreciation - owned assets	8,751	7,257
Profit on disposal of fixed assets	(1,202)	-
Amortisation	<u>36,934</u>	<u>36,934</u>

Notes to the Consolidated Financial Statements

31st December 2000

4.	Interest Payable	2000	1999
		£	£
	Other interest payable	<u>90,023</u>	<u>75,472</u>

5.	Directors and Employees		
	Staff costs during the year were as follows:	2000	1999
		£	£
	Wages and salaries	431,601	392,797
	Social security costs	42,650	39,619
	Other pension costs	<u>5,600</u>	<u>8,969</u>
		<u>479,851</u>	<u>441,385</u>

The average number of employees, including directors, during the year was as follows:

	2000	1999
	Number	Number
Sales and Administration	13	13
Directors	2	2
	<u>15</u>	<u>15</u>

Remuneration in respect of directors was as follows:

	2000	1999
	£	£
Aggregate amount of emoluments paid in respect of qualifying services.	50,583	50,486
Pension contributions in respect of directors	<u>2,000</u>	<u>5,969</u>
	<u>52,583</u>	<u>56,455</u>

6. **Tax on Loss/Profit on Ordinary Activities**

	2000	1999
	£	£
Based on the loss/profit for the year:		
U.K. Corporation tax at 20% (1999 21%)	(4,000)	54,000
Prior year adjustments	<u>525</u>	<u>(878)</u>
	<u>(3,475)</u>	<u>53,122</u>

The company is a "close" company within the provisions of the Income and Corporation Taxes Act 1988.

7.	Tangible Fixed Assets	Fixtures	Computer	Total
	Group and Company	Fittings &	Equipment	
		Equipment		
		£	£	£
	Cost			
	At 1st January 2000	12,830	28,102	40,932
	Additions	330	8,383	8,713
	Disposals	-	(1,617)	(1,617)
	At 31st December 2000	<u>13,160</u>	<u>34,868</u>	<u>48,028</u>
	Depreciation			
	At 1st January 2000	8,760	13,431	22,191
	Charged for the year	880	7,871	8,751
	Disposals	-	(718)	(718)
	At 31st December 2000	<u>9,640</u>	<u>20,584</u>	<u>30,224</u>
	Net Book Value			
	At 31st December 2000	<u>3,520</u>	<u>14,284</u>	<u>17,804</u>
	At 31st December 1999	<u>4,070</u>	<u>14,671</u>	<u>18,741</u>

31st December 2000

8. Intangible Fixed Assets Group	Purchased Goodwill £
Cost	
At 1st January 2000	744,699
Additions	<u>7,693</u>
At 31st December 2000	<u>752,392</u>
Amortisation	
At 1st January 2000	55,234
Charge for the year	<u>36,934</u>
At 31st December 2000	<u>92,168</u>
Net Book Value	
At 31st December 2000	<u>660,224</u>
At 31st December 1999	<u>689,465</u>

9. Fixed Assets Investments Company	Shares in Group Undertakings £	Total £
Cost		
At 1st January 2000	2,114,264	2,114,264
Additions	<u>7,693</u>	<u>7,693</u>
At 31st December 2000	<u>2,121,957</u>	<u>2,121,957</u>
Net Book Value		
At 31st December 2000	<u>2,121,957</u>	<u>2,121,957</u>
At 31st December 1999	<u>2,114,264</u>	<u>2,114,264</u>

10. **Principal fixed asset investments Company**

The company holds more than 10% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business
Principal subsidiary undertakings:				
Charterhouse Construction Materials Plc	England and Wales	Ordinary shares	100%	Supply of materials to construction industry.

The share capital and reserves of Charterhouse Construction Materials Plc at 31st December 2000 totalled a credit balance of £1,453,381 with its loss for the year after taxation of £39,702.

11. Stocks Group	2000 £	1999 £
Goods for re-sale	<u>152,231</u>	<u>91,170</u>

Charterhouse Holdings U. K. Limited
Notes to the Consolidated Financial Statements

31st December 2000

12. Debtors	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Trade debtors	1,283,281	-	1,911,461	-
Unpaid share capital	10,000	10,000	10,000	10,000
Other debtors	12,524	-	75,509	-
Prepayments and accrued income	<u>7,559</u>	<u>-</u>	<u>6,365</u>	<u>-</u>
	<u>1,313,364</u>	<u>10,000</u>	<u>2,003,335</u>	<u>10,000</u>

13. Creditors: Amounts Falling Due Within One Year	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Bank overdraft	805,519	-	584,044	-
Trade creditors	1,246,548	-	1,841,720	-
Corporation tax	-	-	54,000	-
Other taxes and social security	34,890	-	37,225	-
Other creditors	14,138	-	34,603	-
Accruals and deferred income	44,593	-	60,439	-
Dividend Proposed	<u>-</u>	<u>-</u>	<u>94,000</u>	<u>94,000</u>
	<u>2,145,688</u>	<u>-</u>	<u>2,706,031</u>	<u>94,000</u>

The bank overdraft is secured by way of a debenture incorporating a fixed charge over the book debts.

14. Creditors: Amounts falling due after more than one year	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Owed to subsidiary undertaking	<u>-</u>	<u>2,122,863</u>	<u>-</u>	<u>2,021,437</u>

15. Share Capital		
Authorised	Number	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted and fully paid	Number	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

16. Reserves	Profit and Loss Account	
	Group	Company
	£	£
At 1st January 2000	98,283	-
Loss for the year	<u>(106,636)</u>	<u>-</u>
At 31st December 2000	<u>(8,353)</u>	<u>-</u>

31st December 2000

17. Reconciliation of the Movement in Shareholders' Funds

	Group 2000 £	Company 2000 £	Group 1999 £	Company 1999 £
Loss/Profit for the financial year	(106,636)	-	68,267	-
Issue of share capital	-	-	-	-
Decrease/Increase in shareholders' funds	(106,636)	-	68,267	-
Opening shareholders' funds	<u>108,283</u>	<u>10,000</u>	<u>40,016</u>	<u>10,000</u>
Closing shareholders' funds	<u>1,647</u>	<u>10,000</u>	<u>108,283</u>	<u>10,000</u>

18. Pensions - Defined Contribution Scheme

The company and group operate defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are administered by trustees in funds independent from those of the company and group.

19. Operating lease commitments
Group

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2000 Land and buildings £	2000 Other £	1999 Land and buildings £	1999 Other £
Expiring:				
Within one year	-	16,747	-	797
Within two to five years	18,500	980	18,500	17,760
	<u>18,500</u>	<u>17,727</u>	<u>18,500</u>	<u>18,557</u>

Notes to the Cash Flow Statement

20. Reconciliation of Operating Profit to Operating Cash Flows

	2000 £	1999 £
Operating profit	7,689	290,790
Depreciation charges	45,685	44,191
Profit on disposal of assets	(1,202)	-
(Decrease)/Increase in stocks	(61,062)	65,686
Decrease in debtors	693,971	81,095
Decrease in creditors	(727,818)	(325,647)
Net Cash (Outflow)/Inflow from Operating Activities	<u>(42,737)</u>	<u>156,115</u>

Charterhouse Holdings U. K. Limited
Notes to the Consolidated Financial Statements
31st December 2000

21. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

Returns on Investments and Servicing of Finance	2000	1999
	£	£
Interest received	2,223	71
Interest paid	<u>(90,023)</u>	<u>(75,472)</u>
Net Cash Outflow for Returns on Investments and Servicing of Finance	<u>(87,800)</u>	<u>(75,401)</u>

22. Capital Expenditure and Financial Investment

	2000	1999
	£	£
Purchase of tangible fixed assets	(8,713)	(5,888)
Purchase of intangible fixed assets	(7,692)	(12,655)
Proceeds from sale of fixed assets	<u>2,101</u>	<u>-</u>
Net Cash Outflow for Capital Expenditure and Financial Investment	<u>(14,304)</u>	<u>(18,543)</u>

23. Analysis of changes in Net Debt Group

	At 1st January 2000	Cash Flow	At 31st December 2000
	£	£	£
Cash in hand and at bank	11,603	(7,891)	3,712
Bank overdrafts	<u>(584,044)</u>	<u>(221,475)</u>	<u>(805,579)</u>
	<u>(572,441)</u>	<u>(229,366)</u>	<u>(801,807)</u>

24. Related Party Transactions

The group has a contract for services with Direction Forward, a business in which R F Wookey has an interest. The total amount payable by the group under this agreement was £37,851 (1999 - £46,185).

The group has a contract for services with Peelfold Holdings Plc, a business in which A H Pontin has an interest. The total amount payable by the group under this agreement was £12,000 (1999 - £10,000).