

Haydon Building Contractors Limited
Financial statements
For the year ended 31 December 2003

Grant Thornton 



Company No. 3953388

Company information

Company registration number	3953388
Registered office	The Leaze 40 Salter Street Berkeley Gloucestershire GL13 9DB
Directors	M S Turl R Holt D J Robertson
Secretary	D T Styles
Bankers	Barclays Bank plc 18 Southgate Street Gloucester Gloucestershire GL1 2DH
Solicitors	BPE St James's House St James' Square Cheltenham Gloucestershire GL50 3PR
Auditors	Grant Thornton Chartered Accountants Registered Auditors The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1PZ

Index

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 - 15

Report of the directors

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

Principal activities and business review

The company is principally engaged in the provision of building and construction services.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended a dividend of £450,000.

Directors

The directors who served the company during the year were as follows:

M S Turl
R Holt
D J Robertson

No directors held an interest in the company at 1 January 2003 or at 31 December 2003.

Interests in the parent undertakings

All directors served as directors of the immediate parent undertaking, M & T Group Limited, during the year. Their interests in the shares of the immediate parent undertaking are disclosed in that company's financial statements.

R Holt and D J Robertson are the only directors who are directors of the ultimate parent undertaking, Mears Group plc. Their interests in the shares of the ultimate parent undertaking are disclosed in that company's financial statements.

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 at the end of the year and of the profit or loss for the year then ended. 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Grant Thornton as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


R Holt
Director
29 March 2004
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Report of the independent auditors to the member of Haydon Building Contractors Limited

We have audited the financial statements of Haydon Building Contractors for the year ended 31 December 2003 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 member 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 member 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' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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 other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

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 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Cheltenham
29 March 2004
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Principal accounting policies

Basis of accounting

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	15%
Fixtures & Fittings	-	15%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax in the future.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Profit and loss account

	Note	2003 £	2002 £
Turnover	1	3,685,453	4,376,972
Cost of sales		2,655,139	3,471,585
Gross profit		1,030,314	905,387
Other operating charges	2	586,809	701,278
Operating profit	3	443,505	204,109
Interest receivable	5	312	—
Profit on ordinary activities before taxation		443,817	204,109
Tax on profit on ordinary activities	6	—	55,853
Profit on ordinary activities after taxation		443,817	148,256
Dividends	7	450,000	—
Retained (loss)/profit for the financial year		(6,183)	148,256
Balance brought forward		173,904	25,648
Balance carried forward		167,721	173,904

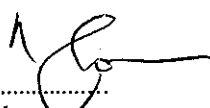
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	8	8,296	10,203
Current assets			
Stocks	9	7,539	123,577
Debtors	10	513,349	554,684
Cash at bank and in hand		452,106	652
		972,994	678,913
Creditors: amounts falling due within one year	11	813,567	515,210
Net current assets		159,427	163,703
Total assets less current liabilities		167,723	173,906
Capital and reserves			
Called-up equity share capital	16	2	2
Profit and loss account		167,721	173,904
Shareholder's funds	17	167,723	173,906

These financial statements were approved by the directors on 29 March 2004 and are signed on their behalf by:



 R Holt
 Director

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	<u>3,685,453</u>	<u>4,376,972</u>

2 Other operating income and charges

	2003 £	2002 £
Administrative expenses	<u>586,809</u>	<u>701,278</u>

3 Operating profit

Operating profit is stated after charging:

	2003 £	2002 £
Depreciation of owned fixed assets	2,702	2,583
Operating lease costs:		
Land and buildings	<u>15,112</u>	<u>14,760</u>

Auditors' remuneration for audit services relating to this company have been charged to its immediate parent company, M & T Group Limited.

4 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of production staff	<u>41</u>	<u>51</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	946,182	995,908
Social security costs	87,047	91,660
Other pension costs	2,400	1,900
	<u>1,035,629</u>	<u>1,089,468</u>

5 Interest receivable

	2003	2002
	£	£
Bank interest receivable	<u>312</u>	<u>—</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	<u>—</u>	<u>58,245</u>
Total current tax	<u>—</u>	<u>58,245</u>
Deferred tax:		
Decrease in deferred tax provision	<u>—</u>	<u>(2,392)</u>
Tax on profit on ordinary activities	<u>—</u>	<u>55,853</u>

6 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>443,817</u>	<u>204,109</u>
Profit on ordinary activities by rate of tax	133,145	61,233
Expenses not deductible for tax purposes	1,227	(3,129)
Capital allowances in excess of depreciation	298	141
Utilisation of group tax losses	(134,527)	—
Marginal relief	(143)	—
Total current tax (note 6(a))	<u>—</u>	<u>58,245</u>

7 Dividends

	2003 £	2002 £
Final dividend on ordinary shares	<u>450,000</u>	<u>—</u>

8 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2003	3,837	13,384	17,221
Additions	—	795	795
At 31 December 2003	<u>3,837</u>	<u>14,179</u>	<u>18,016</u>
Depreciation			
At 1 January 2003	1,561	5,457	7,018
Charge for the year	575	2,127	2,702
At 31 December 2003	<u>2,136</u>	<u>7,584</u>	<u>9,720</u>
Net book value			
At 31 December 2003	<u>1,701</u>	<u>6,595</u>	<u>8,296</u>
At 31 December 2002	<u>2,276</u>	<u>7,927</u>	<u>10,203</u>

9 Stocks

	2003 £	2002 £
Work in progress	<u>7,539</u>	<u>123,577</u>

10 Debtors

	2003 £	2002 £
Trade debtors	343,469	517,852
Amounts owed by group undertakings	161,249	36,314
Corporation tax repayable	1,733	—
Other debtors	305	—
Prepayments and accrued income	6,593	518
	<u>513,349</u>	<u>554,684</u>

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank overdraft	—	22,636
Trade creditors	187,150	327,926
Amounts owed to group undertakings	548,918	38,000
Social security and other taxation	45,980	102,738
Other creditors	6,092	12,800
Pension contributions	350	350
Accruals and deferred income	25,082	10,760
	<u>813,567</u>	<u>515,210</u>

12 Leasing commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	—	7,000	32,793
Within 2 to 5 years	—	—	35,295	183,370
	<u>—</u>	<u>—</u>	<u>42,295</u>	<u>216,163</u>

13 Capital commitments

The company had no capital commitments at 31 December 2003 or 31 December 2002.

14 Contingent liabilities

There were no contingent liabilities at 31 December 2003 or 31 December 2002.

15 Related party transactions

As a wholly-owned subsidiary of M & T Group Limited which in turn is wholly-owned by Mears Group plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Mears Group plc on the grounds that accounts are publicly available from Companies House.

16 Share capital

Authorised share capital:

	2003 £	2002 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

17 Reconciliation of movements in shareholder's funds

	2003 £	2002 £
(Loss)/profit for the financial year	(6,183)	148,256
Opening shareholder's equity funds	<u>173,906</u>	<u>25,650</u>
Closing shareholder's equity funds	<u>167,723</u>	<u>173,906</u>

18 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is Mears Group plc incorporated in England and Wales.

M & T Group Limited is this company's controlling related party by virtue of owning 100% of the issued share capital of Haydon Building Contractors Limited. The ultimate controlling related party is Mears Group plc as a result of Mears Group plc owning 100% of the issued share capital of M & T Group Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Mears Group plc which is registered in England and Wales. Copies of the Mears Group plc financial statements may be obtained from the registered office at The Leaze, 40 Salter Street, Berkeley, Gloucestershire, GL13 9DB.