

Grant Thornton 

**HAYDON BUILDING
CONTRACTORS LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2001



Company no 3953388

HAYDON BUILDING CONTRACTORS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2001

Company registration number: 3953388

Registered office: 27b Hursley Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2FS

Directors: Mr M S Turl
Mrs T M Turl

Secretary: Ms D T Styles

Bankers: Barclays Bank plc
18 Southgate Street
Gloucester
Gloucestershire
GL1 2DJ

Solicitors: Bretherton Price Elgoods
123 Promenade
Cheltenham
Gloucestershire
GL50 1NW

Auditors: Grant Thornton
Registered auditors
Chartered accountants
Manor Court
Barnes Wallis Road
Segensworth
Hampshire
PO15 5GT

HAYDON BUILDING CONTRACTORS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2001

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HAYDON BUILDING CONTRACTORS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2001.

Principal activities

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

Business review

There was a profit for the year after taxation amounting to £43,044 (2000: loss £17,396). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year

The interests of the directors and their families in the shares of the company as at 31 December 2001 and 1 January 2001, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	31 December 2001	1 January 2001
Mr M S Turl	-	-
Mrs T M Turl	-	-

The interests of the directors in the shares of the parent undertaking (M & T Group Limited) is disclosed in the directors report of that company.

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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
- 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 maintaining 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.

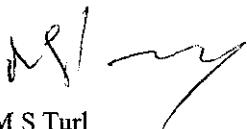
HAYDON BUILDING CONTRACTORS LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in dark ink, appearing to read 'M S Turl', with a long horizontal stroke extending to the right.

Mr M S Turl
Director
7 October 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAYDON BUILDING CONTRACTORS LIMITED**

We have audited the financial statements of Haydon Building Contractors Limited for the year ended 31 December 2001 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 21 on pages 4 to 13. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report 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.

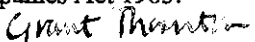
Basis of opinion

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 the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

7 October 2002

HAYDON BUILDING CONTRACTORS LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

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

TURNOVER

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

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Plant and machinery	15%
Motor vehicles	25%
Fixtures and fittings	15%

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

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

OPERATING LEASES

Operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

HAYDON BUILDING CONTRACTORS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2001

	Note	12 months to 31 December 2001 £	8 months to 31 December 2000 £
Turnover	1	4,272,220	1,717,094
Cost of sales		(3,518,743)	(1,303,949)
Gross profit		753,477	413,145
Administrative expenses		(696,893)	(425,941)
Operating profit/(loss)		56,584	(12,796)
Interest payable and similar charges	2	(13)	(1,416)
Profit/(loss) on ordinary activities before taxation	1	56,571	(14,212)
Tax on profit on ordinary activities	4	(13,527)	(3,184)
Profit/(loss) transferred to reserves	12	43,044	(17,396)

There were no recognised gains or losses other than the profit for the financial year.

HAYDON BUILDING CONTRACTORS LIMITED**BALANCE SHEET AT 31 DECEMBER 2001**

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	5	12,396	11,202
Current assets			
Stocks	6	131,559	433,577
Debtors	7	652,342	634,855
Cash at bank and in hand		76,982	4,500
		<u>860,883</u>	<u>1,072,932</u>
Creditors: amounts falling due within one year	8	(845,237)	(870,344)
Net current assets		<u>15,646</u>	<u>202,588</u>
Total assets less current liabilities		<u>28,042</u>	<u>213,790</u>
Creditors: amounts falling due after more than one year	9	-	(228,000)
Provisions for liabilities and charges	10	(2,392)	(3,184)
		<u>25,650</u>	<u>(17,394)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	25,648	(17,396)
Shareholders' funds	13	<u>25,650</u>	<u>(17,394)</u>

The financial statements were approved by the Board of Directors on 7 October 2002.

M S Turl



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

HAYDON BUILDING CONTRACTORS LIMITED**CASH FLOW STATEMENT**

For the year ended 31 December 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	14	323,279	(227,914)
Returns on investments and servicing of finance			
Interest paid		(13)	(1,416)
Net cash outflow from returns on investments and servicing of finance		(13)	(1,416)
Taxation		-	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(4,092)	(13,239)
Sale of tangible fixed assets		375	-
Net cash outflow from capital expenditure and financial investment		(3,717)	(13,239)
Financing			
Issue of shares		-	2
Receipts from borrowings		205,000	228,000
Repayment of borrowings		(433,000)	-
Net cash outflow from financing		(228,000)	228,002
Increase in cash	15	91,549	(14,567)

The accompanying accounting policies and notes form an integral part of these financial statements.

HAYDON BUILDING CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	2001 £	2000 £
Auditors' remuneration	8,511	5,000
Depreciation and amortisation:		
Tangible fixed assets, owned	2,523	2,037
Hire of plant and machinery	27,290	1,941
Other operating lease rentals	109,631	26,022

2 INTEREST PAYABLE AND SIMILAR CHARGES / NET INTEREST

	2001 £	2000 £
Interest payable and similar charges	13	1,416

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	2001 £	2000 £
Wages and salaries	1,050,978	748,467
Social security costs	101,079	63,482
Other pension costs	2,550	500
	1,154,607	812,449

The average number of employees of the company during the year was 54 (2000: 53).

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
UK Corporation tax at 30%	14,319	-
Deferred taxation	(792)	3,184
	13,527	3,184

HAYDON BUILDING CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

5 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2001	2,737	500	10,002	13,239
Additions	1,100	-	2,992	4,092
Disposals	-	(500)	-	(500)
At 31 December 2001	3,837	-	12,994	16,831
Depreciation				
At 1 January 2001	411	125	1,501	2,037
Provided in the year	575	-	1,948	2,523
Eliminated on disposals	-	(125)	-	(125)
At 31 December 2001	986	-	3,449	4,435
Net book amount at 31 December 2001	2,851	-	9,545	12,396
Net book amount at 31 December 2000	2,326	375	8,501	11,202

6 STOCKS

	2001 £	2000 £
Short-term work in progress	131,559	433,577

7 DEBTORS

	2001 £	2000 £
Trade debtors	652,342	632,759
Amounts owed by group undertakings	-	2,097
Other debtors	-	(1)
	652,342	634,855

Included above are the following amounts which are due after more than one year:

Amounts owed by group undertakings	-	2,097
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HAYDON BUILDING CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank loans and overdrafts	-	19,067
Trade creditors	503,467	461,164
Amounts owed to group undertakings	240,912	348,448
Amounts owed to related undertakings	13,000	-
Corporation tax	14,319	-
Social security and other taxes	46,939	32,677
Other creditors	25,600	3,788
Pension contributions	850	200
Accruals and deferred income	150	5,000
	<u>845,237</u>	<u>870,344</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Loans from directors	-	228,000
Borrowings are repayable as follows:		
	2001 £	2000 £
Within one year	-	19,067
After one and within two years	-	228,000
	<u>-</u>	<u>247,067</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2001	3,184
Provided during the year	(792)
At 31 December 2001	<u>2,392</u>

HAYDON BUILDING CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

11 SHARE CAPITAL

	2001 £	2000 £
Authorised 1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 RESERVES

	Profit and loss account £
At 1 January 2001	(17,396)
Retained profit for the year	43,044
At 31 December 2001	<u>25,648</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	43,044	(17,396)
Issue of shares	-	2
Net increase in shareholders' funds	<u>43,044</u>	<u>(17,394)</u>
Shareholders' funds at 1 January 2001	(17,394)	-
Shareholders' funds at 31 December 2001	<u>25,650</u>	<u>(17,394)</u>

HAYDON BUILDING CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

14 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	56,584	(12,796)
Depreciation	2,523	2,037
Decrease in stocks	302,018	(433,577)
Increase in debtors	(17,487)	(634,855)
Decrease in creditors	(20,359)	851,277
Net cash inflow from continuing operating activities	<u>323,279</u>	<u>(227,914)</u>

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase in cash in the year	91,549	(14,567)
Cash outflow from financing in the year	228,000	(228,000)
Change in net debt resulting from cashflows	<u>319,549</u>	<u>(242,567)</u>
Movement in net debt in the year	319,549	(242,567)
Net debt at 1 January 2001	(242,567)	-
Net funds at 31 December 2001	<u>76,982</u>	<u>(242,567)</u>

16 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2001 £	Cash flow £	At 31 December 2001 £
Cash in hand and at bank	4,500	72,482	76,982
Overdrafts	(19,067)	19,067	-
Debt	(228,000)	228,000	-
	<u>(242,567)</u>	<u>319,549</u>	<u>76,982</u>

17 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2001 or at 31 December 2000.

18 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2001 or at 31 December 2000.

HAYDON BUILDING CONTRACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

19 PENSIONS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £2,550 (2000 £500).

20 LEASING COMMITMENTS

Operating lease payments amounting to £86,671 (2000: £-) are due within one year. The leases to which these amounts relate expire as follows:

	2001	2000
	Other	Other
	£	£
In one year or less	1,037	-
Between one and five years	85,634	-
	86,671	-

21 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is M & T Group Limited 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.

Group accounts are not being prepared as the group is not required to do so as it qualifies as a medium sized group.

The company has taken exemption from FRS8 with regard to disclosure of transactions with entities which are in the same group. Copies of the financial statements for the other companies in the group are available from the company's registered office.