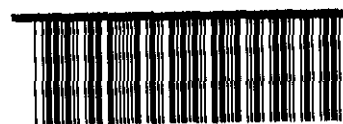


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**Report of the Directors and
Financial Statements
for the Year Ended 30 September 2003
for
Hire One Limited**



Hire One Limited

**Company Information
for the Year Ended 30 September 2003**

DIRECTORS:

K J Latham
P J Mason
I J Stevens

SECRETARY:

P J Mason

REGISTERED OFFICE:

Cardiff Road
Mwyndy Cross Industries
Llantrisant
Pontyclun
Rhondda Cynon Taff
CF72 8PN

REGISTERED NUMBER:

04277104 (England and Wales)

AUDITORS:

Broomfield & Alexander
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Hire One Limited

**Report of the Directors
for the Year Ended 30 September 2003**

The directors present their report with the financial statements of the company for the year ended 30 September 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the hire of plant and machinery.

DIRECTORS

The directors during the year under review were:

K J Latham
P J Mason
I J Stevens

The beneficial interests of the directors holding office on 30 September 2003 in the issued share capital of the company were as follows:

	30.9.03	1.10.02
Ordinary £1 shares		
K J Latham	15,000	15,000
P J Mason	15,000	15,000
I J Stevens	15,000	15,000

STATEMENT OF 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 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.

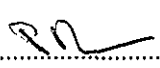
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Broomfield & Alexander, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
P J Mason - Secretary

Date: 19/12/2003

**Report of the Independent Auditors to the Shareholders of
Hire One Limited**

We have audited the financial statements of Hire One Limited for the year ended 30 September 2003 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Broomfield & Alexander

Broomfield & Alexander
Registered Auditors
Chartered Accountants
Pendragon House
Caxton Place
Pentwyn
Cardiff
CF23 8XE

Date: *22 December 2003*

Hire One Limited

**Profit and Loss Account
for the Year Ended 30 September 2003**

		Year Ended 30.9.03	Period 28.8.01 to 30.9.02
	Notes	£	£
TURNOVER		2,405,590	1,754,527
Cost of sales		1,473,672	1,009,098
GROSS PROFIT		931,918	745,429
Administrative expenses		661,965	511,438
		269,953	233,991
Other operating income		3,168	7,749
OPERATING PROFIT	2	273,121	241,740
Interest payable and similar charges		80,838	40,546
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		192,283	201,194
Tax on profit on ordinary activities	3	17,597	40,140
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		174,686	161,054
RETAINED PROFIT FOR THE YEAR		174,686	161,054

The notes form part of these financial statements

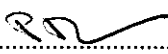
Hire One Limited

**Balance Sheet
30 September 2003**

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		2,591,752		1,333,067
CURRENT ASSETS					
Stocks		30,345		21,672	
Debtors	5	501,061		435,972	
Cash at bank		-		3,883	
		531,406		461,527	
CREDITORS					
Amounts falling due within one year	6	1,822,133		864,901	
NET CURRENT LIABILITIES			(1,290,727)		(403,374)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,301,025		929,693
CREDITORS					
Amounts falling due after more than one year	7		(774,285)		(594,639)
PROVISIONS FOR LIABILITIES AND CHARGES	10		(41,000)		(24,000)
			485,740		311,054
CAPITAL AND RESERVES					
Called up share capital	11		150,000		150,000
Profit and loss account	12		335,740		161,054
SHAREHOLDERS' FUNDS			485,740		311,054

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


.....
P J Mason - Director

Approved by the Board on 12/12/2003

The notes form part of these financial statements

Hire One Limited

Notes to the Financial Statements for the Year Ended 30 September 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods and services from ordinary activities, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset on a straight line basis over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & machinery	- 25% - 50% on cost
Furniture & fittings	- 25% - 50% on cost
Motor vehicles	- 33% on cost
Office equipment	- 25% - 50% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a group personal pension scheme. Contributions payable for the period are charged in the profit and loss account.

Hire One Limited

Notes to the Financial Statements for the Year Ended 30 September 2003

2. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 30.9.03 £	Period 28.8.01 to 30.9.02 £
Depreciation - owned assets	204,902	92,094
Depreciation - assets on hire purchase contracts	440,092	257,673
Auditors' remuneration	6,000	6,000
Pension costs	8,397	5,096
	<u>101,000</u>	<u>97,495</u>
Directors' emoluments and other benefits etc	<u>101,000</u>	<u>97,495</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 30.9.03 £	Period 28.8.01 to 30.9.02 £
Current tax:		
UK corporation tax	597	16,140
Deferred taxation	17,000	24,000
Tax on profit on ordinary activities	<u>17,597</u>	<u>40,140</u>

Hire One Limited

Notes to the Financial Statements for the Year Ended 30 September 2003

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST:					
At 1 October 2002	1,506,335	4,969	127,969	23,930	1,663,203
Additions	1,775,955	9,413	154,172	18,825	1,958,365
Disposals	(102,404)	-	-	-	(102,404)
At 30 September 2003	3,179,886	14,382	282,141	42,755	3,519,164
DEPRECIATION:					
At 1 October 2002	282,693	4,837	36,878	5,728	330,136
Charge for year	568,073	5,067	60,859	10,995	644,994
Eliminated on disposal	(47,718)	-	-	-	(47,718)
At 30 September 2003	803,048	9,904	97,737	16,723	927,412
NET BOOK VALUE:					
At 30 September 2003	2,376,838	4,478	184,404	26,032	2,591,752
At 30 September 2002	1,223,642	132	91,091	18,202	1,333,067

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST:			
At 1 October 2002	1,141,554	111,648	1,253,202
Additions	1,011,687	154,172	1,165,859
At 30 September 2003	2,153,241	265,820	2,419,061
DEPRECIATION:			
At 1 October 2002	224,971	31,438	256,409
Charge for year	384,664	55,428	440,092
At 30 September 2003	609,635	86,866	696,501
NET BOOK VALUE:			
At 30 September 2003	1,543,606	178,954	1,722,560
At 30 September 2002	916,583	80,210	996,793

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	366,098	300,128
Other debtors	33,566	1,240
Amounts due from parent company	86,995	123,584
Prepayments and accrued income	14,402	11,020
	501,061	435,972

Hire One Limited

Notes to the Financial Statements for the Year Ended 30 September 2003

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts	64,512	-
Hire purchase contracts	782,681	427,688
Trade creditors	652,180	188,082
Corporation tax	598	16,140
Social security and other taxes	29,920	38,744
Other creditors	1,190	230
Invoice discounting funds advanced	129,038	73,962
Amounts due to group undertaking	36,355	36,355
Accrued expenses	125,659	83,700
	<u>1,822,133</u>	<u>864,901</u>

Included in trade creditors is an amount of £405,563 relating to the purchase of fixed assets, this amount was financed on hire purchase contracts post year end.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Hire purchase contracts	<u>774,285</u>	<u>594,639</u>

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2003	2002
	£	£
Expiring:		
Within one year	20,004	22,759
Between one and five years	4,744	4,744
In more than five years	88,500	88,500
	<u>113,248</u>	<u>116,003</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Hire purchase contracts	1,556,966	1,022,327
Invoice discounting	129,038	73,962
	<u>1,686,004</u>	<u>1,096,289</u>

Amounts owed on hire purchase agreements are secured on the relevant assets.

Amounts advanced by Lloyds TSB on invoice discounting are secured by a debenture over all of the assets of the company.

Hire One Limited

Notes to the Financial Statements for the Year Ended 30 September 2003

10. PROVISION FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred tax	<u>41,000</u>	<u>24,000</u>
	Deferred tax £	
Balance at 1 October 2002	24,000	
Accelerated capital allowances	<u>17,000</u>	
Balance at 30 September 2003	<u>41,000</u>	

11. CALLED UP SHARE CAPITAL

Authorised:			2003	2002
Number:	Class:	Nominal value:	£	£
250,000	Ordinary	£1	<u>250,000</u>	<u>250,000</u>
Allotted, issued and fully paid:			2003	2002
Number:	Class:	Nominal value:	£	£
150,000	Ordinary	£1	<u>150,000</u>	<u>150,000</u>

12. RESERVES

	Profit and loss account £
At 1 October 2002	161,054
Retained profit for the year	<u>174,686</u>
At 30 September 2003	<u>335,740</u>

13. ULTIMATE PARENT COMPANY

The ultimate parent company and ultimate controlling party of Hire One Limited is David Lewis Civil Engineering Limited, a company incorporated in the United Kingdom. The accounts for David Lewis Civil Engineering Limited are available from Mwyndy Estate, Pontyclun, Rhondda Cynon Taff, CF72 8XY.

14. RELATED PARTY DISCLOSURES

During the year, Hire One Limited made sales of £727,207 (2002: £477,902) to David Lewis Civil Engineering Limited. The balance due from David Lewis Civil Engineering Limited at 30 September 2003 was £86,995 (2002: £123,584). This balance is included in debtors due within one year (note 5).

In addition during the year, Hire One Limited received a loan of £Nil (2002: £56,355) from David Lewis Civil Engineering Limited. The company has repaid £Nil (2002: £20,000) of this loan during the year and the amount owing to David Lewis Civil Engineering Limited at 30 September 2003 was £36,355 (2002: £36,355). This amount is included in creditors due within one year (note 6).