

Hall & Tawse Limited
Directors' report and accounts
for the year ended 31 December 2000

Registered Number 20074



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Hall & Tawse Limited
Directors' report and accounts
for the year ended 31 December 2000
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Hall & Tawse Limited

Directors' report for the year ended 31 December 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 December 2000.

Principal activity and review of the business

The principal activities of the company were Building Contracting, Partnership Housing and Manufactured Joinery. The company has traded satisfactorily throughout the year.

The directors consider that the activities of Hall & Tawse Limited will continue to develop satisfactory.

Result and dividends

The company's profit for the financial year amounted to £1,283,312 (1999 - £1,461,813). Dividends proposed and paid by the company during the year amounted to £748,600 (1999 - £716,000). The amount transferred to reserves for the company was £534,712 (1999 - £745,813). The results and comparatives are no longer consolidated as the company has now taken advantage of the exemption from producing group accounts.

On 1 January 2000 as part of a group reorganisation the trade of the company's only subsidiary, Mansell North East Limited, based in Gateshead was transferred to Mansell Construction Services Limited, a fellow subsidiary of MANSELL plc. The internal management structure has remained unaffected by the reorganisation and the operations continue to be managed by the same team.

For comparative purposes the aggregate of Hall & Tawse Limited and the Gateshead operation which was transferred to Mansell Construction Services Limited were as follows:

	2000	1999
	£	£
Turnover	85,828,125	76,346,249
Profit before tax	2,452,750	2,431,782

Directors and their interests

The directors of the company who served during the year were:

P A Cleaver (Chairman)
D E Beardsmore (Resigned 1 January 2001)
J M Bicker (Resigned 31 October 2000)
P H Coats
R W Cunningham (Resigned 31 October 2000)
E A Forbes
D S Hurcomb
N Patterson
C R Sutherland
G J Hood
M Levack

Hall & Tawse Limited

Mr E A Forbes and Mr M Levack held interests in the shares of MANSELL plc as follows:

	Ordinary shares of 25p each	
	At 31 December 2000	At 31 December 1999
E A Forbes	1,000	1,000
M Levack	6,000	6,000

The directors had no beneficial interests in the shares of the company as it is a wholly owned subsidiary of MANSELL plc.

At 31 December 2000, Mr P A Cleaver, Mr D E Beardsmore, Mr D S Hurcomb and Mr P H Coats were directors of the ultimate parent company, MANSELL plc, and their interests in the group are set out in the directors' report attached to the financial statements of that company for the year ended 31 December 2000. Mr C R Sutherland is a director of Hall & Tawse Group Limited, an intermediate parent company; his interest in the shares of MANSELL plc is disclosed in the directors' report of that company for the year ended 31 December 2000. No other director had an interest in the group

Payment of creditors

It was the company's policy for the year ended 31 December 2000 to place orders with suppliers on certain terms and conditions which include terms of payment.

Suppliers are then paid accordingly where goods and services have been provided in accordance with the relevant terms and conditions of the contract.

The company's average creditor payment period at 31 December 2000 was 70 days (1999 - 74 days).

Employees

It is company policy to provide equal employment opportunities without regard to race, religion, sex, national origin, disability or age having regard to the nature of the industry in which the company operates.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2000. The directors also confirm that applicable Accounting Standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Hall & Tawse Limited

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



C R Sutherland
Director

25 April 2001

Hall & Tawse Limited

Auditors' report to the members of Hall & Tawse Limited

We have audited the accounts on pages 5 to 16.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report. As described on page 2, this includes responsibility for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 is not disclosed.

Basis of audit opinion

We 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Aberdeen

25 April 2001

Hall & Tawse Limited

Profit and loss account For the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover (continuing operations)	2	68,812,333	62,448,400
Cost of sales		(64,122,645)	(57,271,176)
Gross profit		4,689,688	5,177,224
Distribution costs		(307,847)	(308,212)
Administrative expenses		(3,206,220)	(3,537,936)
Other operating income	3	103,604	115,399
Operating profit (continuing operations)	3	1,279,225	1,446,475
Net interest receivable	5	592,191	650,777
Profit on ordinary activities before taxation		1,871,416	2,097,252
Taxation on profit on ordinary activities	6	(588,104)	(635,439)
Profit for the financial year		1,283,312	1,461,813
Dividends	7	(748,600)	(716,000)
Amount transferred to reserves	15	534,712	745,813

The company had no recognised gains or losses other than those disclosed above.

Hall & Tawse Limited

Balance sheet as at 31 December 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible fixed assets	8	860,611	792,009
Investments	9	345,000	345,000
		1,205,611	1,137,009
Current assets			
Stocks & work in progress	10	3,028,816	2,807,361
Debtors	11	15,508,080	12,149,662
Cash at bank		8,025,092	10,300,606
		26,561,988	25,257,629
Creditors - amounts falling due within one year	12	(19,210,200)	(18,441,057)
Net current assets		7,351,788	6,816,572
Total assets less current liabilities		8,557,399	7,953,581
Amounts falling due after more than one year	13	(370,776)	(301,670)
Net assets		8,186,623	7,651,911
Capital and reserves			
Called up share capital	14	2,907,220	2,907,220
Share premium account	15	12,967	12,967
Profit and loss account	15	5,266,436	4,731,724
Equity shareholders' funds	16	8,186,623	7,651,911

The full amount of shareholders' funds is attributable to equity interest.

Approved by the Board of Directors on 25 April 2001


 Director : C R Sutherland

Hall & Tawse Limited

Notes to the accounts for the year ended 31 December 2000

1 Accounting policies

The principal accounting policies adopted in the preparation of these accounts are set out below.

Basis of preparation

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

The company's cost of investment in subsidiary undertakings is stated at the aggregate of:

- i) the cash and loans payable by way of consideration;
- ii) the nominal value of the company's shares issued as consideration where sections 131 and 133 of the Companies Act 1985 ("the merger relief provisions") apply and no share premium account arises, or the market value of the company's shares on the date they were issued as consideration in cases where the merger relief provisions do not apply.
- iii) the costs of acquisition;
- iv) provisions for diminution in value.

Stocks

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

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts represents the value of work done in the period. Full provision is made for any losses which are foreseen.

Long term contract balances, included within stock, are stated at costs incurred, less those transferred to the profit and loss account, after deducting payments on account not matched with turnover and any foreseeable losses. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Depreciation

Depreciation is calculated on a straight line basis to write off the cost or valuation less the estimated residual value of tangible assets over their expected useful lives as follows:

Leasehold land and buildings	Over the lease period
Plant and equipment	10 per cent to 33 per cent per annum
Motor vehicles	25 per cent per annum

Hall & Tawse Limited

Pension schemes

Contributions are made to the defined benefit scheme operated by the group in accordance with the recommendations of independent actuaries.

Pension contributions are charged to the profit and loss account so as to spread the cost of pensions over the expected average remaining service lives of the scheme members.

Deferred taxation

Deferred taxation is provided, using the liability method, on timing differences which are expected to reverse in the future, calculated at a rate at which it is estimated that the tax will be payable.

Leased assets

Operating lease rentals are charged to the profit and loss account in the year to which they relate.

2 Turnover

The company's turnover derives from trading within the United Kingdom and comes from its activities as a building contractor, house builder and manufacturing joiner. Turnover represents the invoiced value of goods and services supplied together with the value of contracting work executed during the year. No credit is taken for claims for payment made by the company until there is firm agreement with the customer.

3 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging/(crediting)		
Depreciation	228,071	204,124
Directors' remuneration (note 4)	629,933	559,665
Auditors' remuneration	30,000	30,000
Operating lease rentals:		
Plant and machinery	68,515	72,712
Other	921,284	875,319
Other operating income:		
Rental income	(97,067)	(94,387)
Gain on sale of tangible assets	(6,537)	(21,012)

Hall & Tawse Limited

4 Employee information

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

	2000	1999
Direct employees	538	524
Administration	91	92
	629	616

	2000 £	1999 £
Wages and salaries	11,917,803	11,218,483
Social security costs	945,320	928,268
Other pensions costs	474,800	437,611
	13,337,923	12,584,362

Directors' remuneration

	2000 £	1999 £
Aggregate emoluments	524,101	519,553
Aggregate contributions to pension scheme	66,962	40,112
Compensation for loss of office	38,870	-
	629,933	559,665

Highest paid director

Emoluments	101,188	97,472
Pension contributions	8,121	8,137
	109,309	105,609

The highest paid director has an accrued annual pension entitlement under a defined benefit scheme of £5,488 (1999 - £3,857).

Benefits are accruing to 5 directors under the defined benefit pension scheme. There are no benefits accruing to directors under money purchase schemes.

Hall & Tawse Limited

5 Net interest receivable

	2000	1999
	£	£
Interest payable and similar charges		
Other	(1,017)	(2,641)
Interest receivable and similar income		
Bank	168,278	183,141
Group	413,282	454,963
Other	11,648	15,314
Net interest receivable	592,191	650,777

6 Taxation on profit on ordinary activities

	2000	1999
	£	£
Based on the profit for the year at 30% (1999 – 30.25%)		
Current year:		
Corporation tax	580,332	615,606
Deferred taxation	7,772	43,479
Adjustments in respect of prior years:		
Corporation tax	-	581,054
Group relief	-	(608,960)
Deferred taxation	-	4,260
	588,104	635,439

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Deferred taxation

	£
At 1 January 2000 - asset	87,688
Released during the year	(7,772)
At 31 December 2000 – asset	79,916

	2000 £	1999 £
Accelerated capital allowances	29,020	22,137
Other timing differences	(108,936)	(109,825)
At 31 December 2000 – asset	(79,916)	(87,688)

Deferred tax asset balances are included within prepayments and accrued income (note 11).

There are no amounts of deferred tax not provided which need to be provided.

7 Dividends

	2000 £	1999 £
Proposed and paid	748,600	716,000

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8 Tangible fixed assets

	Short leasehold £	Plant and equipment £	Total £
Cost			
At 1 January 2000	24,408	1,529,018	1,553,426
Additions	-	325,944	325,944
Disposals	-	(143,926)	(143,926)
At 31 December 2000	24,408	1,711,036	1,735,444
Depreciation			
At 1 January 2000	16,672	744,745	761,417
Charge for the year	2,579	225,492	228,071
Disposals		(114,655)	(114,655)
At 31 December 2000	19,251	855,582	874,833
Net book amount			
At 31 December 2000	5,157	855,454	860,611
At 31 December 1999	7,736	784,273	792,009

9 Fixed asset investments

	Equity £	Advances £	Total £
Interests in subsidiary at cost:			
At 31 December 1999 and 31 December 2000	225,000	120,000	345,000

The equity investment represents 100% of the issued Ordinary share capital of Mansell North East Limited, a company incorporated in England, whose principal activity was construction. The trade and assets of Mansell North East Limited were transferred in January 2000 to a fellow subsidiary of MANSELL plc.

In the opinion of the directors, the value of the above investment is not less than the amount shown above.

The company has taken the exemption from preparing group accounts as MANSELL plc produces consolidated group accounts.

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10 Stocks and work in progress

	2000	1999
	£	£
Raw materials and consumables	312,811	200,955
Long term contract balances	2,716,005	2,606,406
	3,028,816	2,807,361

11 Debtors

	2000	1999
	£	£
Trade debtors	1,609,097	2,267,438
Amounts recoverable on contracts	7,304,217	4,399,411
Retentions	2,233,465	1,881,291
Amounts owed by fellow subsidiary undertakings	4,179,078	3,420,457
Other debtors	8,273	93,377
Prepayments and accrued income	173,950	87,688
	15,508,080	12,149,662

Included within prepayments and accrued income is a deferred tax asset (note 6).

Amounts falling due after one year:

	2000	1999
	£	£
Included in the above are the following		
Retentions	335,209	338,326

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12 Creditors – Amounts falling due within one year

	2000	1999
	£	£
Payments received on account	939,892	2,035,961
Trade creditors	12,461,631	10,549,965
Amounts owed to group undertakings	3,277,074	2,980,028
Corporation tax	387,304	364,187
Other taxes and social security	920,170	1,115,006
Sundry creditors	787,113	1,018,311
Accruals and deferred income	437,016	377,599
	19,210,200	18,441,057

13 Creditors – Amounts falling due after more than one year

	2000	1999
	£	£
Retentions	370,776	301,670

14 Called up share capital

	31 December 2000		31 December 1999	
	Number	Value £	Number	Value £
Authorised				
Ordinary shares of 25p each	12,000,000	3,000,000	12,000,000	3,000,000
Allotted and fully paid				
Ordinary shares of 25p each	11,628,880	2,907,220	11,628,880	2,907,220

Hall & Tawse Limited

15 Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2000	12,967	4,731,724
Retained profit for the financial year	-	534,712
At 31 December 2000	12,967	5,266,436

16 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	1,283,312	1,461,813
Dividends	(748,600)	(716,000)
Net addition to equity shareholders' funds	534,712	745,813
Opening equity shareholders' funds	7,651,911	6,906,098
Closing equity shareholders' funds	8,186,623	7,651,911

17 Commitments and contingent liabilities

Operating leases

Annual commitments in respect of non cancellable operating leases are as follows:

	2000	1999
	£	£
Land and buildings expiring after five years	298,746	298,746

Hall & Tawse Limited

	2000	1999
	£	£
Other – motor vehicles and office equipment		
Expiring within one year	93,780	66,717
Expiring between two and five years	484,634	566,569
	578,414	633,286

Performance bonds amounting to £6,267,594 (1999 - £4,507,106) have been entered into by the group and its subsidiary in the normal course of business.

The company has a contingent liability in respect of guarantees given to support the performance bonds of its parent company and fellow subsidiaries amounting to £23,300,000 (1999 - £24,800,000).

At 31 December 2000, there were no contracted capital commitments not provided for (1999 - Nil).

18 Pensions

The company is a member of a defined benefit pension scheme operated by the ultimate parent company, MANSELL plc. Contributions are paid in accordance with the recommendations of independent actuaries, based upon the regular cost of providing benefits across all participating companies as a whole, without any recognition of fund surpluses or deficits which are dealt with by MANSELL plc. Particulars of the latest actuarial valuation of the scheme are given in the financial statements of MANSELL plc for the year ended 31 December 2000.

19 Cashflow statement and related party transactions

The company is exempt from the preparation of a cash flow statement in accordance with Financial Reporting Standard Number 1 by virtue of being a wholly owned subsidiary undertaking of an EC registered company which produces a group cashflow statement. The company is also exempt under the terms of Financial Reporting Standard Number 8 from disclosing related party transactions with members of the group.

20 Ultimate parent undertaking

The immediate parent is Mansell Construction Services Limited. The ultimate parent undertaking is MANSELL plc, a company registered in England. Copies of the accounts of MANSELL plc can be obtained from the Company Secretary, MANSELL plc, Roman House, Grant Road, Croydon, Surrey, CR9 6BU.