

Miller Beton & Monierbau Limited

Directors' report and financial statements

31 December 1998

Registered number 129845

IAM



Directors' report and financial statements

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Directors' report

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 1998.

Results and dividends

The result for the year is set out in the profit and loss account. The directors do not recommend the payment of a dividend for the year.

Review of the business

The company operates as a joint venture between Miller Civil Engineering Limited and Beton-und Monierbau Gesellschaft M.B.H.

The principal activity of the company is tunnelling together with related civil engineering mechanical and electrical works.

Directors and directors' interests

The directors of the company during the year were:

M Chippington
F Quellmelz
J Arnold
GN Grondon

None of the directors had any interest in the share capital of the company or any other group company.

Millenium compliance

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption.

The company has addressed the impact of the Year 2000 on its business and operations by reviewing the major issues to assess exposure. Plans have been put in place to seek to ensure the elimination of these exposures prior to the Year 2000. Total estimated costs are not believed to be significant.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the directors believe that the company will achieve an acceptable state of readiness and will provide resources to deal promptly with significant failures or issues that may arise.

Directors' report (continued)

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



M Chippington
Director

Miller House
18 South Groathill Avenue
Edinburgh
EH4 2LW

21 September 1999

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 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;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Report of the auditors to the members of Miller Beton & Monierbau Limited

We have audited the financial statements on pages 5 to 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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 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 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 at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

21 September 1999

Profit and loss account
for the year ended 31 December 1998

	Note	1998 £	1997 £
Administrative expenses		(33)	(1,074)
Operating loss	2	(33)	(1,074)
Interest receivable and similar income	3	33	38
Result for the financial year	9	-	(1,036)

Other than the loss for the current year and the previous year there are no recognised gains or losses.

Balance sheet
at 31 December 1998

	<i>Note</i>	1998 £	1997 £
Current assets			
Cash at bank and in hand		983	950
		<hr/>	<hr/>
Creditors: amounts falling due within one year	6	983 (1,143)	950 (1,110)
		<hr/>	<hr/>
Total assets less current liabilities		(160)	(160)
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	7	(10,000)	(10,000)
		<hr/>	<hr/>
Net liabilities		(10,160)	(10,160)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	25,000	25,000
Profit and loss account	9	(35,160)	(35,160)
		<hr/>	<hr/>
Equity shareholders' deficit		(10,160)	(10,160)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 21 September 1999 and were signed on its behalf by:


M Chippington
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards. The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Operating loss

	1998 £	1997 £
<i>This is stated after charging:</i>		
Auditors' remuneration		
- audit	-	457
- other	-	588
	<u> </u>	<u> </u>

3 Interest receivable

Bank interest	-	38
	<u> </u>	<u> </u>

4 Remuneration of the directors

The directors are the sole employees of the company and are not entitled to any remuneration from the company under the terms of the shareholders' agreement.

5 Taxation

There is no liability to corporation tax (1997:£nil) as there are trading losses carried forward.

6 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	1,143	1,110
	<u> </u>	<u> </u>

Notes (continued)

7	Creditors: amounts falling due after more than one year	1998	1997
		£	£
	Loan from shareholders	10,000	10,000
		<u> </u>	<u> </u>
	Each of the two shareholders have advanced £5,000 to the company. No interest has been charged. No repayment terms are specified.		
8	Called up share capital	1998	1997
		£	£
	<i>Authorised</i>		
	Class A ordinary shares of £1 each	125,000	125,000
	Class B ordinary shares of £1 each	125,000	125,000
		<u> </u>	<u> </u>
		250,000	
		<u> </u>	<u> </u>
			250,000
		<u> </u>	<u> </u>
	<i>Allotted, called up and fully paid</i>		
	Class A ordinary shares of £1 each	12,500	12,500
	Class B ordinary shares of £1 each	12,500	12,500
		<u> </u>	<u> </u>
		25,000	25,000
		<u> </u>	<u> </u>
9	Reserves		Profit and loss account
			£
	Retained loss brought forward		(35,160)
	Result for the year		-
			<u> </u>
	Retained loss carried forward		(35,160)
			<u> </u>
10	Reconciliation of the movement in shareholders' funds	1998	1997
		£	£
	Shareholders' funds brought forward	(10,160)	(9,124)
	Result/(loss) for the year	-	(1,036)
		<u> </u>	<u> </u>
	Shareholders' funds carried forward	(10,160)	(10,160)
		<u> </u>	<u> </u>