

Syme & Duncan (Contracts) Ltd

Report and Accounts

Year Ended 31 August 2001

Company Registered in England Number : 1474645



DIRECTORS' REPORT - For the year ended 31 August 2001

The Directors submit their Report and the audited Accounts of the Company for the year ended 31 August 2001

Directors' responsibilities

Company Law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit and loss of the company for that period. In preparing these 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 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.

Results

The Profit and Loss Account for the year is set out on Page 4. The company has performed satisfactorily during the year, which state of affairs the Directors expect to continue.

The Directors do not believe that the introduction of the Euro will have any significant impact upon the business.

Profits and Dividends

After providing for taxation, a profit of £28,722 (2000 - £46,581) is transferred to reserves.

The Directors do not propose to pay a dividend.

Principal activities of the company

The Company's principal trading activity is that of Building Contractor.

DIRECTORS' REPORT - For the year ended 31 August 2001

Directors

The Directors of the company who have been in office during the year are:

Michael A Chevreau MCIOB

Managing Director

Martyn F J Button Grad. Dip. QS

Directors' interests in shares

None of the Directors held an interest in the share capital of the company or its immediate parent.

The interests of the Directors in the share capital of the ultimate parent company are disclosed in that company's accounts.

Auditors

A resolution to re-appoint the Auditors, H & E Johnson, will be proposed at the Annual General Meeting.

By order of the board



M F J Button

Secretary

7 December 2001

REPORT OF THE INDEPENDENT AUDITORS

to the shareholders of Syme & Duncan (Contracts) Ltd

We have audited the Financial Statements on Pages 4 to 10 which have been prepared under the historical cost convention and in accordance with the accounting policies set out in the notes to these accounts.

Respective responsibilities of the company's directors and auditors

As described in the Directors' Report the directors are responsible for the preparation of the 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 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 the Directors' Report 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 relevant information and explanations which we considered necessary 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 August 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Unit 3 G 2
The Leathermarket
Weston Street
London SE1 3ER

7 December 2001

H + E Johnson

H & E Johnson

Chartered Accountants
Registered Auditor

PROFIT AND LOSS ACCOUNT - For the year ended 31 August 2001

	Notes	2001	2000
		£	£
Turnover	2	570,847	788,149
Cost of sales		<u>482,866</u>	<u>692,214</u>
Gross Profit		87,981	95,935
Other operating expenses		<u>59,023</u>	<u>48,997</u>
Operating profit for the year		28,958	46,938
Interest receivable and similar income	3	<u>2,932</u>	<u>376</u>
		31,890	47,314
Interest payable and similar charges	4	<u>-</u>	<u>674</u>
Profit on ordinary activities before tax	5	31,890	46,640
Taxation	6	<u>3,168</u>	<u>59</u>
Retained profit for the year after tax		<u>28,722</u>	<u>46,581</u>

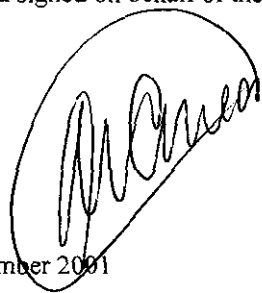
All items dealt with in arriving at the operating profit for both 2000 and 2001 relate to continuing activities

There are no recognised gains or losses in these periods, other than the reported profit and loss.

BALANCE SHEET - as at 31 August 2001

	Notes	at 31.8.2001		at 31.8.2000	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		1,833		2,444
Current Assets					
Stocks	9	2,947		3,187	
Debtors	10	300,383		239,569	
Cash at Bank and in hand		<u>18,870</u>		<u>87,843</u>	
		322,200		330,599	
Creditors due within one year	11a	<u>130,100</u>		<u>167,832</u>	
Net current assets			<u>192,100</u>		<u>162,767</u>
Total Assets less current liabilities			193,933		165,211
Net Assets			<u>193,933</u>		<u>165,211</u>
Capital and Reserves					
Called up share capital	13		10,000		10,000
Profit and Loss Account	14		<u>183,933</u>		<u>155,211</u>
Shareholders' Funds			<u>193,933</u>		<u>165,211</u>

Approved and signed on behalf of the board


 7 December 2001

M A Chevreau

Director

NOTES TO THE ACCOUNTS - for the year ended 31 August 2001

1. Accounting Policies

a) Cash Flow and Basis of Accounting

The financial statements are prepared under the historical cost convention and applicable accounting standards. A cash flow statement has not been prepared since the company is a 100% owned subsidiary of the C&B Holdings Ltd. group and consolidated financial statements are available.

b) Tangible Fixed Assets

i) These are stated at cost less accumulated depreciation. Depreciation on purchased assets is calculated at the rate of 25% per annum on the written down value.

ii) Gains and losses on disposals are credited or charged to the Profit and Loss Account when they occur and the relevant gross value and accumulated depreciation eliminated from the Accounts.

c) Assets leased

Where the company enters into operating or finance leases, its policy is to regard such leases as finance leases where their terms give rights approximating to ownership.

Assets held under finance leases (including Hire Purchase contracts) are capitalised at a fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets held under hire purchase agreements are depreciated over their useful economic life; assets held under finance leases are depreciated over the shorter of the lease term and their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

Certain assets have been acquired for the company by Crispin & Borst Group Services Ltd., under a group hire purchasing facility. The assets are capitalised in the company and a liability recorded under creditors for the amounts due through Crispin & Borst Group Services Ltd. for the hire purchase liability. As finance charges arise they are allocated, as an inter group charge, to the profit and loss account. On completion of the hire purchase agreement title will pass to the company.

d) Stock

Stocks include building materials and consumables. Short term contract work in progress is valued at the lower of cost and net realisable value.

e) Long term contract work in progress

Long term contracts are valued at cost, including overheads, plus attributable profit, less any foreseeable losses. Attributable profit represents an assessment of profit on current contracts at the accounting date. Foreseeable losses are those estimated to arise on existing contracts, after taking account of future costs and overheads.

The amount included under Debtors as "Amounts recoverable on contracts", represents the amount by which the value of work exceeds progress payments to date.

f) Pensions

The company contributes to a personal pension plan scheme for some of its employees. Liability is limited to the premiums paid, which are charged against profits in the period of payment.

g) Corporation tax

There are group relief elections in force in respect of interest, dividends and losses. Deferred tax is provided on timing differences between the book and tax written down value of plant and vehicles.

NOTES TO THE ACCOUNTS - for the year ended 31 August 2001

2. Turnover

Turnover, which excludes Value Added Tax, represents the value of work completed during the period and includes an adjustment for the net change of long term contract work in progress.

	2001	2000
	£	£
3. Interest receivable and other income		
Group interest	2,932	294
Other interest	-	82
	<u>2,932</u>	<u>376</u>

4. Interest payable and similar charges

	£	£
Hire purchase interest	-	666
Bank interest	-	8
	<u>-</u>	<u>674</u>

5. Profit on ordinary activities before taxation

	£	£
This is stated after charging:-		
Depreciation	611	3,875
Auditors remuneration	1,450	1,100
Hire of office equipment	-	(1,170)
(Profit) on sale of assets	-	(340)

6. Taxation

	£	£
United Kingdom corporation tax at 20% (2000 - 20%) based on the profit for the year (2000 less losses b/f £41,845).	3,263	59
Less deferred tax recoverable at 20%	(95)	-
	<u>3,168</u>	<u>59</u>

7. Directors and employees

	£	£
Staff costs		
Wages and salaries	123,177	177,904
Pension	2,340	2,895
Social security costs	10,450	16,012
	<u>135,967</u>	<u>196,811</u>
The average number of employees during the year was:-		
Operatives	3	5
Administration and Technical	1	3
	<u>4</u>	<u>8</u>

No Directors' emoluments have been paid in respect of the company.
A defined contribution pension scheme operates for certain employees.

NOTES TO THE ACCOUNTS - for the year ended 31 August 2001

8. Tangible Fixed Assets

	Motor Vehicles
Cost as at 1.9.2000	<u>11,773</u>
Cost as at 31.8.2001	<u>11,773</u>
Depreciation as at 1.9.2000	9,329
Provision for year	<u>611</u>
Depreciation as at 31.8.2001	<u>9,940</u>
Net book value at 31.8.2001	1,833
Net book value at 31.8.2000	2,444

9. Stocks

	2001 £	2000 £
Stock	1,300	1,300
Short term work in progress	<u>1,647</u>	<u>1,887</u>
	<u>2,947</u>	<u>3,187</u>

10. Debtors - amounts due within one year

	£	£
Debtors	116,240	29,244
Amounts recoverable on contracts	38,116	92,472
Amounts owed by Holding company	-	101,208
Amounts owed by group undertakings	135,644	9,261
Prepayments	1,821	605
Other debtors	<u>8,562</u>	<u>6,779</u>
	<u>300,383</u>	<u>239,569</u>

NOTES TO THE ACCOUNTS - for the year ended 31 August 2001

	2001	2000
	£	£
11. Creditors		
a. Amounts falling due within one year		
Trade creditors	75,805	147,713
Amounts due to Holding company	2,019	-
Amounts due to group undertakings	29,933	-
Other creditors	1,216	313
Taxation and Social Security	14,944	14,552
Corporation Tax	3,263	59
Accruals	2,920	5,195
	<u>130,100</u>	<u>167,832</u>
b. There were no amounts falling due within two to five years (2000 £Nil)	£ -	£ -
12. Lease commitments		
There were no lease commitments (2000 £Nil)		
13. Share Capital		
Authorised:-	£	£
10,000 Ordinary shares at £1 each	<u>10,000</u>	<u>10,000</u>
Issued, allotted and fully paid:-	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
14. Reserves		
Profit and Loss Account	£	£
Balance as at 1.9.2000	155,211	108,630
Retained Profit for the year	28,722	46,581
Balance as at 31.8.2001	<u>183,933</u>	<u>155,211</u>

NOTES TO THE ACCOUNTS - for the year ended 31 August 2001

	2001	2000
15. Reconciliation of movements in shareholders funds	£	£
Opening shareholders funds at 1.9.2000	165,211	118,630
Profit for the financial year	28,722	46,581
Closing shareholders funds at 31.8.2001	<u>193,933</u>	<u>165,211</u>

16. Holding Company

The ultimate parent company is C & B Holdings Ltd., a company controlled by Mr. R S Dawe and his family trusts, which is incorporated in England. This is the only group for which group accounts have been prepared and exemption from disclosure of group transactions has been taken. Copies of the accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

17. Contingent Liabilities

There is a contingent liability in respect of cross guarantees to group undertakings of £1,429,282 (2000 £997,747).

18. Related company transactions

In the current year, the company hired plant and equipment to the value of £14,102 (2000 - £8,654) on a commercial basis from Avosdrive Plant Hire Ltd., a company controlled by Mr. R S Dawe, director of C & B Holdings Ltd., and his family trusts. An amount of £1,737 (2000 - £1,055) which was owed to Avosdrive Plant Hire Ltd. at the year end is included within the figure for trade creditors.

DETAILED PROFIT AND LOSS ACCOUNT - For the year ended 31 August 2001

	2001	2000
	£	£
Turnover	570,847	788,149
Cost of Sales		
Stock as at 1.9.2000	3,187	8,094
Purchase and subcontractors	328,296	481,932
Wages and social security costs	129,081	180,242
	460,564	670,268
Stock as at 31.8.2001	2,947	3,187
	457,617	667,081
Plant Hire	23,705	13,029
Motor and travelling expenses	933	8,229
Depreciation	611	3,875
Cost of sales	482,866	692,214
Gross Profit for the year	87,981	95,935
Salary expenses		
Administration salaries and social security costs	4,546	13,674
Pensions	2,340	2,895
Staff function	-	445
Staff costs	-	361
Temporary staff	-	143
	6,886	17,518
Administration expenses		
Group charges	30,320	17,400
Postage, stationery and telephone	1,445	4,633
Repairs and maintenance office equipment	1,467	859
Subscriptions and training	351	223
Advertising	-	168
Hire of office equipment	-	(1,170)
Miscellaneous	1	99
	33,584	22,212
Premises expenses		
Rates	2,878	2,505
Light and heat	191	1,041
Repairs to premises	-	199
Cleaning	2,845	2,029
	5,914	5,774

DETAILED PROFIT AND LOSS ACCOUNT - For the year ended 31 August 2001

	2001		2000	
	£	£	£	£
Financial expenses				
Management charges	8,390		-	
CITB	1,145		1,205	
Audit and accountancy	2,000		1,550	
Legal and professional charges	960		617	
Bank charges	144		461	
(Profit) on sale of assets	-		(340)	
	<u>12,639</u>		<u>3,493</u>	
Other operating expenses		<u>59,023</u>		<u>48,997</u>
Operating profit for the year		28,958		46,938
Interest receivable and similar income				
Group interest	2,932		294	
Other interest received	<u>-</u>		<u>82</u>	
		<u>2,932</u>		<u>376</u>
		31,890		47,314
Interest payable and similar charges				
Hire purchase interest	-		666	
Bank interest	<u>-</u>		<u>8</u>	
		-		<u>674</u>
Profit on ordinary activities before tax		<u>31,890</u>		<u>46,640</u>