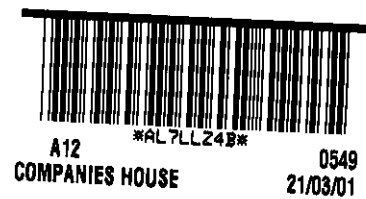


SAMES PLC
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000



Company Number : 558257

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The company carries on business as builders and contractors. The company, formerly E C Sames & Company Limited, changed its name to Sames PLC on 20 June 2000.

The company continued to trade in a highly competitive market, turnover falling from £ 25609798 to £ 17907765, but achieved gross profits of £ 1967598 (1999 : £ 1827107).

The on-going trading activity has enabled the company to maintain a competitive position in the market and the directors are cautiously optimistic about future trading prospects. They consider the company's state of affairs to be satisfactory and that the company is in a good position to take advantage of future business opportunities.

RESULTS AND DIVIDENDS

The profit on ordinary activities before taxation was £ 221130 (1999 : £ 286552). Further details are given on page 4 of the financial statements. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the company during the year are shown below together with details of their beneficial interests in the issued share capital of the parent company, Sames Holdings Plc, at the beginning and end of the year :

	Ordinary Shares of £ 1 each	
	<u>2000</u>	<u>1999</u>
J W Molay	29820	29820
J Apsley	29820	29820
V Thornton	-	-
S Murphy	-	-
G. Newman	-	-
N Smith – appointed 30 March 2000	-	-

AUDITORS

Messrs W L Bland & Co have expressed their willingness to continue in office and a resolution for their re-appointment will be put to the members at the next Annual General Meeting.

REPORT OF THE DIRECTORS (Continued)

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 year. In preparing the company's financial statements, the directors confirm that they have:-

- a) selected suitable accounting policies and applied them consistently;
- b) made judgements and estimates that are reasonable and prudent;
- c) followed applicable accounting standards; and
- d) prepared the financial statements on a going concern basis.

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 responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD



G Newman - Secretary

15 March 2001

REPORT OF THE AUDITORS

3.

TO THE MEMBERS OF SAMES PLC

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 6.

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 opinion, based on our audit, on those financial 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 mis-statement, 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 2000 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



W.L.BLAND & CO.

Chartered Accountants and Registered Auditors

Castle House,
89 High Street,
Berkhamsted,
Herts. HP4 2DF

15 March 2001

SAMES PLC

4.

PROFIT & LOSS ACCOUNT**YEAR ENDED 31 DECEMBER 2000**

	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
TURNOVER : Continuing Operations	1	17907765	25609798
COST OF SALES		15940167	23782691
GROSS PROFIT		1967598	1827107
Administration Expenses		1765343	1552759
Other Operating Income	2	(9224)	(16291)
Exceptional Item	3	(10787)	-
		1745332	1536468
OPERATING PROFIT	4	222266	290639
INTEREST PAYABLE	6	1136	4087
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		221130	286552
TAXATION	7	72196	71874
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	£ 148934	£ 214678

Statement of Total Recognised Gains and Losses

The company had no recognised gains and losses during the years ended 31 December 2000 and 1999 other than the profit and loss for the year.

SAMES PLC

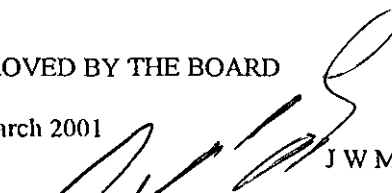

5.

BALANCE SHEET - 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
FIXED ASSETS			
Tangible Assets	8	815702	790469
CURRENT ASSETS			
Stocks and Work in Progress	9	632988	949543
Debtors	10	2756258	2628816
Cash at Bank & In Hand		316104	801004
		<u>3705350</u>	<u>4379363</u>
CREDITORS DUE WITHIN ONE YEAR	11	<u>3283503</u>	<u>4081217</u>
NET CURRENT ASSETS		421847	298146
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1237549</u>	<u>1088615</u>
CREDITORS DUE IN MORE THAN ONE YEAR	12	10000	10000
		<u>£ 1227549</u>	<u>£ 1078615</u>
CAPITAL & RESERVES			
Called Up Share Capital	13	179307	179307
Revaluation Reserve	13	235400	235400
Profit & Loss Account	13	812842	663908
SHAREHOLDERS' FUNDS		<u>£ 1227549</u>	<u>£ 1078615</u>

APPROVED BY THE BOARD

15 March 2001


J W MOLAY

G NEWMAN)
)
)

DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2000****1. ACCOUNTING POLICIES****(a) Accounting Convention**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents amounts invoiced to customers in respect of work completed, stated net of Value Added Tax, all of which is derived from the United Kingdom and is attributable to the one principal activity of the company.

(c) Freehold Property

The company's freehold property has not been revalued since 17 September 1998. On adoption of FRS15 the company has followed the transitional provisions to retain the book value of freehold property at this valuation, but not to adopt a policy of revaluation in the future. This value is retained subject to the requirement to test assets for impairment in accordance with FRS 11.

(d) Depreciation

Depreciation is provided on fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:-

Plant and Machinery	:	25% on reducing balance
Fixtures and Fittings	:	25% on reducing balance
Motor Vehicles	:	25% on reducing balance

(e) Stock and Work in Progress

Stocks and short term work in progress are valued at the lower of cost and net realisable value, less progress payments received. Long term work in progresss comprises measured and certified work done. It constitutes direct costs and overheads plus attributable profit, less foreseeable losses and progress payments on account.

(f) Deferred Taxation

Provision is made, using the liability method, at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(g) Cash Flow Statement

The company does not prepare a Cash Flow Statement because it is entitled to the exemptions available in Sections 246 to 249 of the Companies Act 1985.

SAMES PLC

7.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2000**

2. OTHER OPERATING INCOME	<u>2000</u>	<u>1999</u>
Bank Deposit Interest	9224	16041
Rent Receivable	-	250
	-----	-----
	£ 9224	£ 16291
	=====	=====
3. EXCEPTIONAL ITEM	<u>2000</u>	<u>1999</u>
Amount due to fellow subsidiary company – waived	£ 10787	£ -
	=====	=====
4. OPERATING PROFIT	<u>2000</u>	<u>1999</u>
This is stated after charging:-		
Depreciation of Tangible Fixed Assets	132963	93306
Auditor's Remuneration	12670	12770
Directors' Remuneration (note 5)	436233	458103
	=====	=====
5. EMPLOYEES	<u>2000</u>	<u>1999</u>
Staff Costs :		
Wages and Salaries – including directors	2713046	2370705
Social Security Costs	246105	215941
Pension Contributions	127510	176266
	-----	-----
	£ 3086661	£ 2762912
	=====	=====
The average number of employees, including directors, during the year was :		
	<u>2000</u>	<u>1999</u>
Building and Construction	77	57
Administration	30	30
	----	----
	107	87
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2000****5. EMPLOYEES (Continued)**

Directors' Remuneration comprises :	<u>2000</u>	<u>1999</u>
Directors emoluments	341375	315583
Company contributions to money purchase pension schemes	94858	142520
	<u>£ 436233</u>	<u>£ 458103</u>
	=====	=====

Details relating to highest paid director :

Aggregate emoluments	<u>£ 76593</u>	<u>£ 75699</u>
	=====	=====
Money purchase pension scheme contributions	<u>£ 39675</u>	<u>£ 64675</u>
	=====	=====

6. INTEREST PAYABLE

	<u>2000</u>	<u>1999</u>
Bank Overdraft	151	2080
Hire Purchase	985	2007
	<u>£ 1136</u>	<u>£ 4087</u>
	=====	=====

7. TAXATION CHARGE

	<u>2000</u>	<u>1999</u>
Corporation Tax :		
Based on the results for the year	74000	82000
Overprovided in previous years	(1804)	(10126)
	<u>£ 72196</u>	<u>£ 71874</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 DECEMBER 2000

8. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Motor Vehicles</u>	<u>Plant & Machinery</u>	<u>Office Equipment & Fittings</u>	<u>Total</u>
COST					
At 31 December 1999	445000	430180	50362	227770	1153312
Additions	-	167859	8111	45026	220996
Disposals	-	(138905)	-	-	(138905)
	-----	-----	-----	-----	-----
At 31 December 2000	445000	459134	58473	272796	1235403
	-----	-----	-----	-----	-----
DEPRECIATION					
At 31 December 1999	-	225522	33747	103574	362843
Charge for Year	-	84474	6181	42308	132963
Disposals	-	(76105)	-	-	(76105)
	-----	-----	-----	-----	-----
At 31 December 2000	-	233891	39928	145882	419701
	-----	-----	-----	-----	-----
NET BOOK VALUE					
31 December 2000	£ 445000	£ 225243	£ 18545	£ 126914	£ 815702
	=====	=====	=====	=====	=====
31 December 1999	£ 445000	£ 204658	£ 16615	£ 124196	£ 790469
	=====	=====	=====	=====	=====

Freehold Property, which is company occupied, was valued by Edward Symmons & Partners, Chartered Surveyors, on 17 September 1998 based upon open market value with vacant possession. Its historic cost was £ 209600. If this freehold property was realised at book value, Corporation Tax of approximately £ 60000 may be payable.

The net book value of motor vehicles includes an amount of £ Nil (1999 : £ 37282) in respect of vehicles held under hire purchase contracts.

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2000****9. STOCKS AND WORK IN PROGRESS**

	<u>2000</u>	<u>1999</u>
Raw Materials and Consumables	1500	1500
Short Term Work in Progress	423596	310667
Long Term Work in Progress	23671312	23286254
Less : Payments Received on Account	(23463420)	(22648878)
	-----	-----
	<u>£ 632988</u>	<u>£ 949543</u>

10. DEBTORS

	<u>2000</u>	<u>1999</u>
Trade Debtors	2590955	2393256
Prepayments & Accrued Income	29586	43613
Amounts Due from Fellow Subsidiaries	121566	178135
Other Debtors	14151	13812
	-----	-----
	<u>£ 2756258</u>	<u>£ 2628816</u>

11. CREDITORS DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
Trade Creditors	2957405	3772604
Corporation Tax	74000	82000
Other Taxes	221263	187828
Accruals	24587	13750
Current Loans (note 12)	-	8000
Due to Holding Company	6248	6248
Due to Fellow Subsidiaries	-	10787
	-----	-----
	<u>£ 3283503</u>	<u>£ 4081217</u>

12. CREDITORS DUE AFTER ONE YEAR

	<u>2000</u>	<u>1999</u>
Loans from Fellow Subsidiaries	10000	10000
Hire Purchase	-	8000
	-----	-----
	10000	18000
Repayable within one year	-	8000
	-----	-----
	<u>£ 10000</u>	<u>£ 10000</u>

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2000****13. SHAREHOLDERS' FUNDS**

	<u>Called Up Share Capital</u>	<u>Revaluation Reserve</u>	<u>Profit & Loss Account</u>	<u>Total</u>
Balance at 31 December 1999	179307	235400	663908	1078615
Transfer from Profit & Loss Account	-	-	148934	148934
	-----	-----	-----	-----
Balance at 31 December 2000	<u>£ 179307</u>	<u>£ 235400</u>	<u>£ 812842</u>	<u>£ 1227549</u>
	=====	=====	=====	=====

The Authorised, Called Up, Allotted and Fully Paid share capital comprises :

	<u>2000</u>	<u>1999</u>
179307 Ordinary Shares of £ 1 each	<u>£ 179307</u>	<u>£ 179307</u>
	=====	=====

14. PENSION COMMITMENTS

The company makes contributions to defined contribution schemes, the assets of the schemes being held separately from the assets of the company. The pension cost charge represents contributions to various schemes and amounted to £ 127510 (1999 : £ 176266). The major scheme is the E C Sames Pension Fund to which contributions totalled £ 72000 (1999 : £ 122000).

15. CONTINGENT LIABILITIES – DEFERRED TAXATION

No provision has been made for deferred taxation. The potential liability is as follows :

	<u>2000</u>	<u>1999</u>
Accelerated Capital Allowances	<u>£ 17753</u>	<u>£ -</u>
	=====	=====

16. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Sames Holdings Plc.