

Crispin & Borst Ltd

Report and Accounts

Year Ended 31 August 2001

Company Registered in England Number : 789114



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 profit for the year was satisfactory, 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

The Directors propose to pay a dividend of £150,000 (2000 - £50,000.)

After providing for taxation, a profit of £218,602 (2000 - £143,421) is transferred to reserves.

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 throughout the year, except as noted below, are:

Barry J Boxall MCIOB	Joint Managing Director
Keith Pagan ARICS	Joint Managing Director
Roger S Dawe	
James Menzies MCIOB	
Robert E Hamblyn FCIOB	resigned 6 April 2001

Directors' interests in shares

The only Director to have an interest in the shares of the company was R S Dawe and there were no changes during the year.

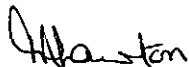
R S Dawe	1 Ordinary share
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The interests of the Directors in the share capital of the parent company are disclosed in that company's accounts.

Auditors

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

By order of the board



T A Lawton
Secretary

7 December 2001

REPORT OF THE INDEPENDENT AUDITORS

to the shareholders of Crispin & Borst 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	36,147,667	32,705,802
Cost of sales		<u>32,938,068</u>	<u>30,056,789</u>
Gross Profit		3,209,599	2,649,013
Other operating expenses		<u>2,738,877</u>	<u>2,396,354</u>
Operating profit for the year		470,722	252,659
Interest receivable and similar income	3	<u>3,203</u>	<u>26,152</u>
		473,925	278,811
Interest payable and similar charges	4	<u>34,285</u>	<u>18,555</u>
Profit on ordinary activities before tax	5	439,640	260,256
Taxation	6	<u>71,038</u>	<u>66,835</u>
Profit for the year after tax		368,602	193,421
Proposed Dividend		<u>150,000</u>	<u>50,000</u>
Retained profit for the year after tax		<u>218,602</u>	<u>143,421</u>

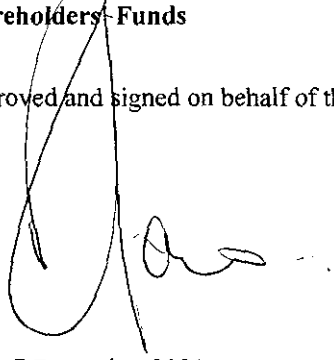
All items dealt with in arriving at the operating profit for both 2000 and 2001 relate to continuing activities

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		728,700		567,325
Current Assets					
Stocks	9	88,845		88,044	
Debtors	10	13,434,253		10,290,903	
Cash at Bank and in hand		-		652,483	
		13,523,098		11,031,430	
Creditors due within one year	11a	<u>11,435,323</u>		<u>8,955,936</u>	
Net current assets			<u>2,087,775</u>		<u>2,075,494</u>
Total Assets less current liabilities			2,816,475		2,642,819
Creditors due after more than one year	11b		<u>90,846</u>		<u>135,792</u>
Net Assets			<u>2,725,629</u>		<u>2,507,027</u>
Capital and Reserves					
Called up share capital	13		181,800		181,800
Profit and Loss Account	14		<u>2,543,829</u>		<u>2,325,227</u>
Shareholders' Funds			<u>2,725,629</u>		<u>2,507,027</u>

Approved and signed on behalf of the board



R S Dawe

Director

7 December 2001

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

1. Accounting Policies

The principal accounting policies of the company are set out below. The depreciation policy for computing equipment has been changed to better reflect the effect of technological change by writing this off at 20% per annum straight line instead of 25% per annum on the written down value. The effect of the change is not considered a material component of the plant and office equipment charge for the year.

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, except computer equipment is depreciated at 20% per annum on a straight line basis.

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.

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 operates a defined contribution pension scheme for certain employees and directors.

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	-	25,530
Other interest	3,203	622
	<u>3,203</u>	<u>26,152</u>

4. Interest payable and similar charges

	£	£
Group interest	14,049	-
Hire purchase interest	20,236	18,555
	<u>34,285</u>	<u>18,555</u>

5. Profit on ordinary activities before taxation

	£	£
This is stated after charging:-		
Depreciation	173,243	161,137
Auditors remuneration	8,770	8,860
Hire of office equipment	366	122
Loss/(Profit) on sale of assets	7,123	(2,214)

6. Taxation

	£	£
United Kingdom corporation tax at 30% (2000 - 30%) based on the profit for the year.	80,912	66,835
Less deferred tax recoverable at 30%	<u>(9,874)</u>	<u>-</u>
	<u>71,038</u>	<u>66,835</u>

7. Directors and employees

	£	£
Staff costs		
Wages and salaries	4,975,729	4,314,058
Pension	94,849	70,781
Social security costs	471,043	420,366
	<u>5,541,621</u>	<u>4,805,205</u>

The average number of employees during the year was:-

Operatives	114	88
Administration and Technical	106	91
	<u>220</u>	<u>179</u>

The Directors of the company are remunerated by C & B Holdings Ltd. :-

Total emoluments	<u>337,086</u>	<u>262,774</u>
Highest paid Director	<u>102,857</u>	

A defined contribution pension scheme operates for certain employees and four directors

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

8. Tangible Fixed Assets

	Plant & Office Equipment	Motor Vehicles	Total
Cost as at 1.9.2000	291,768	1,508,594	1,800,362
Disposals	(32,711)	(246,644)	(279,355)
Additions	214,359	156,706	371,065
Additions from Group at full cost	-	29,299	29,299
Disposal to Group at full cost	(5,617)	(67,247)	(72,864)
Cost as at 31.8.2001	<u>467,799</u>	<u>1,380,708</u>	<u>1,848,507</u>
Depreciation as at 1.9.2000	260,132	972,905	1,233,037
Disposals	(30,233)	(223,305)	(253,538)
Additions from Group	-	19,991	19,991
Disposals to Group	(2,370)	(50,556)	(52,926)
Provision for year	20,984	152,259	173,243
Depreciation as at 31.8.2001	<u>248,513</u>	<u>871,294</u>	<u>1,119,807</u>
Net book value at 31.8.2001	219,286	509,414	728,700
Net book value at 31.8.2000	31,636	535,689	567,325

Items included in Fixed Assets which are held on Hire Purchase contracts

	2001	2000
Motor vehicles	£	£
Net book value at 31.8.2001	376,300	360,076
Depreciation charge for the year	105,947	91,437
Accumulated depreciation to 31.8.2001	217,123	144,908

9. Stocks

	£	£
Stock	-	-
Short term work in progress	<u>88,845</u>	<u>88,044</u>

10. Debtors - amounts due within one year

	£	£
Debtors	6,867,354	4,194,888
Amounts recoverable on contracts	4,966,199	4,723,324
Amounts owed by Holding company	1,220,000	1,297,439
Amounts owed by group undertakings	281,780	-
Prepayments	38,618	18,682
Other debtors	60,302	56,570
	<u>13,434,253</u>	<u>10,290,903</u>

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

	2001	2000
	£	£
11. Creditors		
a. Amounts falling due within one year		
Bank overdraft	89,963	-
Hire purchase - current portion	147,854	146,433
Trade creditors	9,574,306	7,568,117
Amounts due to Holding company	71,592	-
Amounts due to group undertakings	841,769	890,467
Other creditors	41,708	13,055
Taxation and Social Security	387,707	189,278
Corporation Tax	22,180	23,103
Proposed Dividend	150,000	50,000
Accruals	108,244	75,483
	<u>11,435,323</u>	<u>8,955,936</u>
b. Amounts falling due within two to five years	£	£
Hire purchase	<u>90,846</u>	<u>135,792</u>

12. Lease commitments

a. Net obligations under hire purchase contracts	£	£
Within 1 year	147,854	146,433
within two to five years	90,846	135,792
Net obligations	<u>238,700</u>	<u>282,225</u>

The contracts attract variable interest rates with the option to repay at short notice without penalty.

b. Annual obligations under operating leases for land and buildings expiring after five years	£	£
	<u>18,750</u>	<u>-</u>

13. Share Capital

Authorised:-	£	£
250,000 Ordinary shares at £1 each	<u>250,000</u>	<u>250,000</u>
Issued, allotted and fully paid:-	£	£
181,800 Ordinary shares of £1 each	<u>181,800</u>	<u>181,800</u>

14. Reserves

Profit and Loss Account	£	£
Balance as at 1.9.2000	2,325,227	2,181,806
Retained Profit for the year	218,602	143,421
Balance as at 31.8.2001	<u>2,543,829</u>	<u>2,325,227</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	2,507,027	2,363,606
Profit for the financial year	368,602	193,421
Dividends	(150,000)	(50,000)
Closing shareholders funds at 31.08.01	<u>2,725,629</u>	<u>2,507,027</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 £1,438,639 (2000 - £957,747)

18. Related company transactions

In the current year, the company hired plant and equipment to the value of £621,119 (2000 - £650,714) 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 £175,508 (2000 - £194,042) 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	36,147,667	32,705,802
Cost of Sales		
Stock as at 1.9.2000	88,044	97,889
Purchase and subcontractors	26,796,512	24,349,284
Wages and social security costs	4,730,159	4,213,169
	<u>31,614,715</u>	<u>28,660,342</u>
Stock as at 31.8.2001	88,845	88,044
	<u>31,525,870</u>	<u>28,572,298</u>
Plant Hire	879,910	957,154
Motor and travelling expenses	380,029	376,746
Depreciation	152,259	150,591
Cost of sales	<u>32,938,068</u>	<u>30,056,789</u>
Gross Profit for the year	3,209,599	2,649,013
Salary expenses		
Administration salaries and social security costs	716,613	521,255
Pensions	94,849	70,781
Staff function	4,923	17,523
Staff costs	14,463	8,979
Temporary staff	5,331	1,105
	<u>836,179</u>	<u>619,643</u>
Administration expenses		
Group charges	574,920	559,320
Postage, stationery and telephone	92,733	82,481
Repairs and maintenance office equipment	12,419	14,515
Entertaining	22,182	15,912
Subscriptions and training	13,632	24,620
Advertising	19,597	20,455
Hire of office equipment	366	122
Computer software & maintenance	1,401	11,733
Miscellaneous	2,455	315
Depreciation office equipment	20,984	10,546
	<u>760,689</u>	<u>740,019</u>
Premises expenses		
Rates	17,940	31,164
Light and heat	13,027	12,536
Repairs to premises	44,334	31,146
Cleaning	13,504	15,183
	<u>88,805</u>	<u>90,029</u>

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

	2001		2000	
	£	£	£	£
Financial expenses				
Management charges	973,034		876,486	
CITB	20,451		23,520	
Audit and accountancy	9,620		8,905	
Legal and professional charges	35,900		33,398	
Bank charges	7,076		6,568	
(Profit) on sale of assets	7,123		(2,214)	
	<u>1,053,204</u>		<u>946,663</u>	
Other operating expenses		<u>2,738,877</u>		<u>2,396,354</u>
Operating profit for the year		<u>470,722</u>		<u>252,659</u>
Interest receivable and similar income				
Group interest	-		25,530	
Other interest received	<u>3,203</u>		<u>622</u>	
		<u>3,203</u>		<u>26,152</u>
		473,925		278,811
Interest payable and similar charges				
Group interest	14,049		-	
Hire purchase interest	<u>20,236</u>		<u>18,555</u>	
		<u>34,285</u>		<u>18,555</u>
Profit on ordinary activities before tax		<u>439,640</u>		<u>260,256</u>