

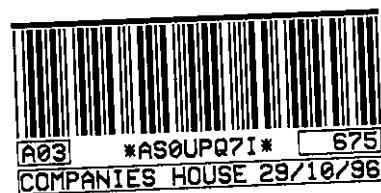
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Crispin & Borst Ltd

Annual Report and Accounts

Year Ended 29 February 1996

Company Registered in England Number : 789114



DIRECTOR'S REPORT - For the year ended 29 February 1996

The Directors submit their Annual Report and the audited Accounts of the Company for the year ended 29 February 1996.

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 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 account 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, despite the current economic climate.

Profits and Dividends

The Directors propose to pay a dividend of £ 140,000.

After providing for taxation and dividend a profit of £ 175,734 is transferred to reserves.

Principal activities of the company

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

Directors

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

Paul J Griffiths FCIQB FFB

Managing Director

Roger S Dawe

Barry J Boxall MCIOB

John W Gray FCCA ARICS MCIOB

Finance Director & Company Secretary

DIRECTOR'S REPORT - For the year ended 29 February 1996

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

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



J W Gray

Secretary

27 September 1996

AUDITORS' REPORT

to the shareholders of Crispin & Borst Ltd

We have audited the Financial Statements on Pages 4 to 10 which have been prepared 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. It is our responsibility to form an opinion, based on our audit, on these 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 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 29 February 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coriander Building
20 Gainsford Street
London SE1 2NE

27 September 1996

H + E Johnson

H & E Johnson
Chartered Accountants
Registered Auditor

PROFIT & LOSS ACCOUNT - For the year ended 29 February 1996

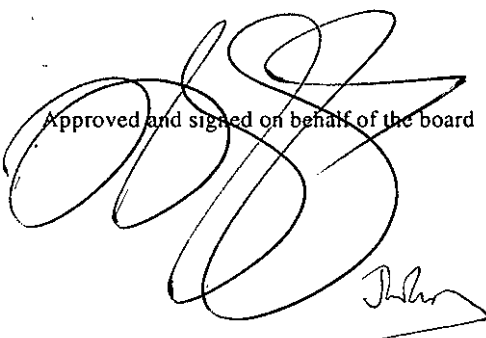
| | Notes | 1996 | 1995 |
|-------------------------------------------------|-------|-------------------|-------------------|
| | | £ | £ |
| Turnover | 2 | 25,277,288 | 17,541,553 |
| Cost of sales | | <u>22,884,030</u> | <u>14,876,412</u> |
| Gross Profit | | 2,393,258 | 2,665,141 |
| Other operating expenses | | <u>2,028,564</u> | <u>1,740,344</u> |
| Operating profit for the year | | 364,694 | 924,797 |
| Interest receivable and similar income | 3 | <u>31,670</u> | <u>19,143</u> |
| | | 396,364 | 943,940 |
| Interest payable and similar charges | 4 | <u>21,144</u> | <u>4,333</u> |
| Profit on ordinary activities before tax | 5 | 375,220 | 939,607 |
| Taxation | 6 | <u>59,486</u> | <u>94,728</u> |
| Profit for the year after tax | | 315,734 | 844,879 |
| Proposed Dividend | | <u>140,000</u> | <u>400,000</u> |
| Retained profit for the year after tax | | <u>175,734</u> | <u>444,879</u> |

All items dealt with in arriving at the operating profit for both 1995 and 1996 relate to continuing activities

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

BALANCE SHEET - As at 29 February 1996

| | Notes | 1996 | 1995 |
|---------------------------------------|-------|------------------|------------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible Assets | 8 | 511,707 | 460,265 |
| Current Assets | | | |
| Stocks | 9 | 62,909 | 72,257 |
| Debtors | 10 | 7,647,941 | 6,403,781 |
| Cash at Bank and in hand | | <u>24,201</u> | <u>4,998</u> |
| | | 7,735,051 | 6,481,036 |
| Creditors due within one year | 11a | <u>5,970,817</u> | <u>4,817,694</u> |
| Net current assets | | <u>1,764,234</u> | <u>1,663,342</u> |
| Total Assets less current liabilities | | 2,275,941 | 2,123,607 |
| Creditors falling due after 1.3.1997 | 11b | <u>151,818</u> | <u>175,218</u> |
| | | <u>2,124,123</u> | <u>1,948,389</u> |
| Capital and Reserves | | | |
| Called up share capital | 13 | 181,800 | 181,800 |
| Profit and Loss Account | 14 | <u>1,942,323</u> | <u>1,766,589</u> |
| | | <u>2,124,123</u> | <u>1,948,389</u> |



Approved and signed on behalf of the board

P J Griffiths

J W Gray

Directors

27 September 1996

NOTES TO THE ACCOUNTS - For the year ended 29 February 1996**1. Accounting Policies**

a) Basis of Accounting: The financial statements are prepared under the historical cost convention.

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 term gives 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 year of payment.

NOTES TO THE ACCOUNTS - For the year ended 29 February 1996

2. Turnover

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

| | 1996 | 1995 |
|--------------------------------------------------------------------|------------------|------------------|
| 3. Interest receivable and other income | £ | £ |
| Other interest | 130 | - |
| Group interest | 31,540 | 19,143 |
| | <u>31,670</u> | <u>19,143</u> |
| 4. Interest payable and similar charges | £ | £ |
| Other interest | 524 | - |
| Hire purchase interest | 20,620 | 4,333 |
| | <u>21,144</u> | <u>4,333</u> |
| 5. Profit on ordinary activities before taxation | £ | £ |
| This is stated after charging:- | | |
| Depreciation | 170,582 | 153,378 |
| Auditors remuneration | 8,240 | 7,500 |
| Hire of office equipment | 316 | - |
| Loss on sale of assets | 3,492 | 868 |
| 6. Taxation | £ | £ |
| United Kingdom Corporation Tax due on current year's profit at 33% | 75,545 | 94,728 |
| Less overprovision in prior year | (16,059) | - |
| | <u>59,486</u> | <u>94,728</u> |
| 7. Directors and employees | £ | £ |
| Staff costs | | |
| Wages and salaries | 3,386,728 | 2,071,128 |
| Pension | 32,464 | 21,493 |
| Social security costs | 294,373 | 203,211 |
| | <u>3,713,565</u> | <u>2,295,832</u> |
| The average number of employees during the year was:- | | |
| Operatives | 59 | 44 |
| Administration and Technical | 139 | 99 |
| | <u>198</u> | <u>143</u> |

NOTES TO THE ACCOUNTS - For the year ended 29 February 1996

8. Tangible Fixed Assets

| | Plant & Office Equipment | Motor Vehicles | Total |
|-----------------------------------|-----------------------------|-------------------|-----------|
| | £ | £ | £ |
| Cost as at 1.3.1995 | 260,627 | 935,856 | 1,196,483 |
| Disposals | (7,080) | (16,605) | (23,685) |
| Additions | 49,462 | 188,431 | 237,893 |
| Additions from Group at full cost | 19,408 | 36,873 | 56,281 |
| Disposal to Group at full cost | - | (40,761) | (40,761) |
| Cost as at 29.2.1996 | 322,417 | 1,103,794 | 1,426,211 |
| Depreciation as at 1.3.1995 | 216,774 | 519,444 | 736,218 |
| Disposals | (6,313) | (13,880) | (20,193) |
| Additions from Group | 15,785 | 32,697 | 48,482 |
| Disposals to Group | - | (20,585) | (20,585) |
| Provision for year | 24,044 | 146,538 | 170,582 |
| Depreciation as at 29.2.1996 | 250,290 | 664,214 | 914,504 |
| Net book value at 29.2.1996 | 72,127 | 439,580 | 511,707 |
| Net book value at 28.2.1995 | 43,853 | 416,412 | 460,265 |

1996 1995

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

| | | |
|---------------------------------------|---------|---------|
| Motor vehicles | £ | £ |
| Net book value at 29.2.1996 | 406,852 | 354,039 |
| Depreciation charge for the year | 135,617 | 88,509 |
| Accumulated depreciation to 29.2.1996 | 318,802 | 183,185 |

Items included in Fixed Assets which were held on Hire purchase through Crispin & Borst Group Services Ltd. Crispin & Borst Group Services Ltd retains the Hire purchase liability. See note 12.

| | | |
|---------------------------------------|---------|---------|
| Motor Vehicles | £ | £ |
| Net book value at 29.2.96 | 106,019 | 141,359 |
| Depreciation charge for the year | 35,340 | 35,339 |
| Accumulated depreciation to 29.2.1996 | 105,890 | 70,550 |

9. Stocks

| | | |
|-----------------------------|--------|--------|
| | £ | £ |
| Stock | 27,435 | 25,600 |
| Short term work in progress | 35,474 | 46,657 |
| | 62,909 | 72,257 |

NOTES TO THE ACCOUNTS - For the year ended 29 February 1996

| | 1996 | 1995 |
|--------------------------------------------------|------------------|------------------|
| | £ | £ |
| 10. Debtors - amounts due within one year | | |
| Debtors | 2,594,633 | 2,141,469 |
| Amounts recoverable on contracts | 3,429,895 | 2,801,309 |
| Amounts owed by Holding company | 1,501,945 | 1,362,209 |
| Amounts owed by Associated companies | 104,505 | 57,356 |
| Prepayments | 4,694 | 8,740 |
| Other debtors | 12,269 | 32,698 |
| | <u>7,647,941</u> | <u>6,403,781</u> |

| 11. Creditors | £ | £ |
|---------------------------------------------------------------------|------------------|------------------|
| a. Amounts falling due within one year | | |
| Hire purchase - current portion | 117,590 | 75,098 |
| Trade creditors | 4,796,741 | 3,606,864 |
| Amounts due for Hire Purchase to Crispin & Borst Group Services Ltd | 47,122 | 50,195 |
| Amounts due to Associated companies | 214,703 | 60,929 |
| Other creditors | 134,831 | 106,684 |
| Taxation and Social Security | 405,652 | 355,691 |
| Corporation Tax | 59,336 | 95,442 |
| Proposed Dividend | 140,000 | 400,000 |
| Accruals | 54,842 | 66,791 |
| | <u>5,970,817</u> | <u>4,817,694</u> |
| b. Amounts falling due after one year | £ | £ |
| Hire purchase | 150,678 | 126,955 |
| Amounts due for Hire Purchase to Crispin & Borst Group Services Ltd | 1,140 | 48,263 |
| | <u>151,818</u> | <u>175,218</u> |

Payable over 24 months from 1.3.1997 at variable rates of interest

12. Lease commitments

| Net obligations under hire purchase contracts | £ | £ |
|--------------------------------------------------|----------------|----------------|
| Within 1 year | 188,112 | 143,303 |
| within two to five years | 161,523 | 186,329 |
| | <u>349,635</u> | <u>329,632</u> |
| Less finance charges allocated to future periods | (33,105) | (29,121) |
| Net obligations | <u>316,530</u> | <u>300,511</u> |

NOTES TO THE ACCOUNTS - For the year ended 29 February 1996

| | 1996 | 1995 |
|--------------------------------------------------------------|------------------|------------------|
| 13. Share Capital | | |
| Authorised:- | £ | £ |
| 250,000 Ordinary shares at £1 each | <u>250,000</u> | <u>250,000</u> |
| Issued, allocated and fully paid:- | £ | £ |
| 181,800 Ordinary shares of £1 each | <u>181,800</u> | <u>181,800</u> |
| 14. Reserves | | |
| a. Profit and Loss Account | £ | £ |
| Balance as at 1.3.1995 | 1,766,589 | 1,321,710 |
| Retained Profit for the year | <u>175,734</u> | <u>444,879</u> |
| Balance as at 29.2.1996 | <u>1,942,323</u> | <u>1,766,589</u> |
| 15. Reconciliation of movements in shareholders funds | £ | £ |
| Opening shareholders funds at 1.3.1995 | 1,948,389 | 1,503,510 |
| Profit for the financial year | 315,734 | 844,879 |
| Dividends | <u>(140,000)</u> | <u>(400,000)</u> |
| Closing shareholders funds at 29.2.1996 | <u>2,124,123</u> | <u>1,948,389</u> |

16. Holding Company

The ultimate Holding company is C & B Holdings Limited which is incorporated in England.

17. Contingent Liabilities

There is a contingent liability in respect of cross guarantees to Associated companies of £939,065 (1995 - £ 921,210).