

**DOUGLAS TRUCK MIXER SERVICES
LIMITED**
(formerly Multi Operations Limited)

Report and Financial Statements

31 March 2001

Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG



REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr T L Fletcher
Mr C M Bryant
Mr S Wilcox (resigned 22 August 2000)
Mr D G Fletcher
Mr P Havard (appointed 25 July 2000, resigned 1 December 2000)
Mr C J House (appointed 14 December 2000, resigned 14 February 2001)
Mr J R Tomkies (appointed 14 February 2001)

SECRETARY

Mr K C Barker

REGISTERED OFFICE

Bardon Hill
Coalville
Leicestershire
LE67 1TL

BANKERS

National Westminster Bank Plc
Market Place
Loughborough
Leics.
LE11 3EA

SOLICITORS

Eversheds
1 Royal Standard Place
Nottingham
NG1 6FZ

AUDITORS

Deloitte & Touche
Chartered Accountants
1 Woodborough Road
Nottingham
NG1 3FG

DIRECTORS' REPORT

The directors present their first annual report and the audited financial statements for the thirteen month period ended 31 March 2001.

ACTIVITIES

The principal activity of the company is the supply of mixer fleet transport.

INCORPORATION

The company was incorporated on 16 November 1999 and commenced trading on 1 March 2000.

CHANGE OF NAME

The company name changed from Multi Operations Limited to Douglas Truck Mixer Services Limited on 2 March 2000.

REVIEW OF DEVELOPMENTS

The directors consider the first trading period to have been satisfactory.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not propose the payment of a dividend. The loss for the period of £62,321 has been transferred from reserves.

FUTURE PROSPECTS

The turnover for the coming year is expected to show a significant increase.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the period together with their interest in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	31 March 2001	1 March 2000
T L Fletcher	-	-
C M Bryant	-	-
S Wilcox	-	-
D G Fletcher	-	-
P Havard	-	-
C J House	-	-
J R Tomkies	-	-

DIRECTORS' REPORT

STATEMENT OF 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 affairs of the company as at the end of the financial period and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 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.

DIRECTORS' REPORT

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors of the company and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'K C Barker', with a horizontal line underneath.

K C Barker

Secretary



AUDITORS' REPORT TO THE MEMBERS OF

DOUGLAS TRUCK MIXER SERVICES LIMITED (formerly Multi Operations Limited)

We have audited the financial statements on pages 6 to 16 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 circumstances of the company, 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 affairs of the company at 31 March 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants
and Registered Auditors

13th December 2001

PROFIT AND LOSS ACCOUNT
Period ended 31 March 2001

	Note	13 months ended 31 March 2001 £
TURNOVER: continuing operations	2	3,116,169
Cost of sales		<u>(2,956,669)</u>
Gross Profit		159,500
Administrative expenses		<u>(163,515)</u>
OPERATING LOSS: continuing operations	4	(4,015)
Interest received	5	2,057
Interest payable and similar charges	6	<u>(60,363)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(62,321)
Tax on loss on ordinary activities	7	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(62,321)</u>
Retained loss for the financial year	16,17	<u><u>(62,321)</u></u>

There are no recognised gains or losses other than the loss for the current period. A statement of movements on reserves and reconciliation of movements in shareholders' funds are set out in notes 16 and 17 to these accounts respectively.

DOUGLAS TRUCK MIXER SERVICES LIMITED
(formerly Multi Operations Limited)

**Deloitte
& Touche**

BALANCE SHEET
31 March 2001

	Note		31 March 2001 £
FIXED ASSETS			
Tangible assets	8		1,350,070
CURRENT ASSETS			
Stocks	9	75,443	
Debtors	10	745,686	
Cash at bank and in hand		58,336	
		<u>879,465</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,014,977)</u>	
NET CURRENT LIABILITIES			<u>(135,512)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,214,558
CREDITORS: amounts falling due after more than one year	12	<u>(720,879)</u>	
NET ASSETS			<u>493,679</u>
CAPITAL AND RESERVES			
Called up share capital	14	556,000	
Profit and loss account	16	<u>(62,321)</u>	
TOTAL EQUITY SHAREHOLDERS' FUNDS	17		<u>493,679</u>

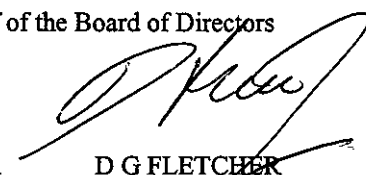
These financial statements were approved by the Board of Directors on

12 . December . 2001

Signed on behalf of the Board of Directors


T L FLETCHER

Director


D G FLETCHER

Director

CASH FLOW STATEMENT
Period ended 31 March 2001

	Note	13 months ended 31 March 2001 £	£
Net cash inflow from operating activities	19		146,378
Returns on investments and servicing of finance			
Interest received		2,057	
Interest paid		(1,724)	
Interest element on finance leases and hire purchase contracts		(58,639)	
Net cash outflow from returns on investments and servicing of finance			(58,306)
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(313,004)	
Proceeds from sale of fixed assets		14,000	
Net cash outflow from capital expenditure and financial investments			(299,004)
Net cash outflow before financing			(210,932)
Financing			
Share Capital issued		556,000	
Finance lease and hire purchase capital repayments		(286,732)	
Net cash inflow from financing			269,268
Increase in cash			58,336

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985.

Tangible fixed assets

Depreciation has been computed to write off the cost of tangible fixed assets to their residual value over their expected useful lives. The rates of depreciation are as follows:

Plant and machinery	25% of net book value
Mixer fleet	20% of net book value
Motor cars	25% of net book value

Deferred taxation

Deferred taxation is provided in full on timing differences relating to pension and other post retirement benefits calculated at the rates at which it is expected that tax will arise. Deferred taxation is provided on other timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rates at which it is expected that tax will arise.

Stocks

Stocks and work-in-progress, are stated at the lower of cost and net realisable value.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension costs

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax and is derived wholly within the United Kingdom.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors are also directors of the joint venture partners, Douglas Concrete and T Baden Hardstaff Limited. The directors receive no remuneration from the company in their role as directors. The company has incurred management charges of £26,000 in the period.

	13 months ended 31 March 2001 £
Average number of persons employed	
Drivers	50
Sales and service	6
Administration	4
	<hr/> 60 <hr/>
Staff costs during the year	
Wages and salaries	1,074,073
Social security costs	107,968
Pension costs	19,307
	<hr/> 1,201,348 <hr/>

4. OPERATING LOSS

	13 months ended 31 March 2001 £
Operating loss is after charging:	
Depreciation and amortisation	
Owned assets	66,649
Leased assets	227,936
Rentals under operating leases	
Hire of plant and machinery	1,506
Other operating leases	85,072
Auditors' remuneration	
- audit fees	2,250
- other services	1,000
And after crediting:	
Profit on sale of fixed assets	<hr/> 4,848 <hr/>

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

5. INTEREST RECEIVED

	13 months ended 31 March 2001 £
Bank interest	2,057
	<u>2,057</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	13 months ended 31 March 2001 £
Bank loans, overdrafts and other loans repayable within five years	1,724
Bank loans and other loans repayable after more than five years	-
Finance leases and hire purchase contracts	58,639
	<u>60,363</u>

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	13 months ended 31 March 2001 £
United Kingdom corporation tax at 30% based on the loss for the year	-
	-
	-
Losses for tax purposes, available for set-off against future trading profits, amount to approximately £345,000.	

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Mixer fleet £	Motor cars £	Total £
Cost				
At 1 March 2000	-	-	-	-
Additions	7,250	1,644,157	2,400	1,653,807
Disposals	-	(10,500)	-	(10,500)
At 31 March 2001	7,250	1,633,657	2,400	1,643,307
Accumulated depreciation				
At 1 March 2000	-	-	-	-
Charge for the period	1,359	291,926	1,300	294,585
Disposals	-	(1,348)	-	(1,348)
At 31 March 2001	1,359	290,578	1,300	293,237
Net book value				
At 31 March 2001	5,891	1,343,079	1,100	1,350,070

Included in the total net book value of tangible fixed assets is £1,194,721 in respect of assets held under finance leases and hire purchase contracts.

	31 March 2001 £
Lorries	1,194,721
	1,194,721

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

9. STOCKS

	31 March 2001 £
Raw materials and consumables	68,113
Fuel	7,330
	<u>75,443</u>

10. DEBTORS - DUE WITHIN ONE YEAR

	31 March 2001 £
Trade debtors	652,699
Prepayments and accrued income	92,987
	<u>745,686</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2001 £
Obligations under finance leases and hire purchase contracts	333,192
Trade creditors	491,207
Other creditors including tax and social security	33,928
Accruals and deferred income	156,650
	<u>1,014,977</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2001 £
Obligations under finance leases and hire purchase contracts	720,879

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

13. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts provided in the accounts and the amounts not provided are as follows:

	31 March Provided 2001 £	31 March Not Provided 2001 £
Capital allowances in excess of depreciation	-	83,779
Revenue losses	-	(103,583)
	<u>-</u>	<u>(19,804)</u>

14. CALLED UP SHARE CAPITAL

	31 March 2001 £
Authorised	
556,000 ordinary shares of £1 each	556,000
Called up, allotted and fully paid	
556,000 ordinary shares of £1 each	556,000

15. BORROWINGS

	31 March 2001 £
Hire purchase and finance leases	1,054,071
In one year or less	333,192
More than one year but not more than two years	285,611
More than two years but not more than five years	435,268
More than five years	-
	<u>1,054,071</u>

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

16. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £
At 1 March 2000	-
Loss transferred for the period	(62,321)
At 31 March 2001	(62,321)

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 March 2001 £
Share Capital issued	556,000
Loss for the year	(62,321)
Net addition to shareholders' funds	493,679
Opening shareholders' funds	-
Closing shareholders' funds	493,679

18. RELATED PARTY TRANSACTIONS

During the period the company purchased £82,538 of raw materials and consumables from Hardstaff Commercial Repairs Limited. At 31 March 2001, £8,552 was due to Hardstaff Commercial Repairs Limited.

During the period the company purchased £4,583 of raw materials and consumables from T Baden Hardstaff Limited and incurred management charges in the year of £13,000. The company made sales of £65,084 to T Baden Hardstaff Limited in the period.

During the period the company purchased £59,576 of raw materials and consumables from Aggregate Industries and incurred management charges of £12,000. At 31 March 2001, £84,354 was due to Aggregate Industries. The company made sales of £2,761,053 to Aggregate Industries in the period.

During the period the company incurred recharges of £1,351,129 from Douglas Concrete, one of the two joint venture controlling parties. At 31 March 2001, £189,356 was due to Douglas Concrete. The company made sales of £284,404 to Douglas Concrete in the period.

NOTES TO THE ACCOUNTS
Period ended 31 March 2001

19. RECONCILIATION OF OPERATING PROFIT TO NET CASHFLOW FROM OPERATING ACTIVITIES

	31 March 2001 £
Operating loss	(4,015)
Depreciation and amortisation	294,585
Profit on sale of fixed assets	(4,848)
Increase in stocks	(75,443)
Increase in debtors	(745,686)
Increase in creditors	681,785
	<hr/>
Net cash inflow from operating activities	146,378
	<hr/>

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 March 2001 £	31 March 2001 £
Increase in cash in the period	58,336	
Cash flow from lease financing	286,732	
	<hr/>	
		345,068
New finance leases and hire purchase agreements		(1,340,803)
		<hr/>
Movement in net debt in period		(995,735)
Net debt at 1 March 2000		-
		<hr/>
Net debt at 31 March 2001		(995,735)
		<hr/>

21. CONTROLLING PARTY

There is no single ultimate controlling party as the company is controlled equally by the directors, who themselves represent the joint venture partners, Douglas Concrete Limited and T Baden Hardstaff Limited.