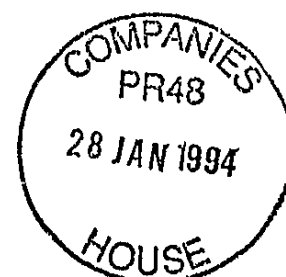


COMPANY NUMBER 2706348

MOUNT ANVIL CONSTRUCTION LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST OCTOBER 1993

Barnes Roffe, Chartered Accountants  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex UB8 2FX



MOUNT ANVIL CONSTRUCTION LIMITED

CONTENTS

	Page
Directors and other information	1
Report of the directors	2
Report of the auditors	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6 - 7
Notes to the financial statements	8 - 11

MOUNT ANVIL CONSTRUCTION LIMITED

DIRECTORS AND OTHER INFORMATION

**Directors**

B J Bennett  
C K Hurley  
D L Borer  
R Upton

**Secretary**

C K Hurley

**Registered office**

Elmcote House  
The Green  
Rickmansworth  
Hertfordshire  
WD3 3HN

**Auditors**

Barnes Roffe  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex UB8 2FX

**Bankers**

Bank of Ireland  
33 London Road  
Kingston Upon Thames  
Surrey KT2 6ND

**Solicitors**

Summers and Co  
27 London Road  
Beaconsfield  
Bucks  
HP9 2HM

William Fry  
Audrey House  
15-20 Ely Place  
London EC1N 6SN

**MOUNT ANVIL CONSTRUCTION LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST OCTOBER 1993**

The directors present their report with the audited financial statements of the company for the year ended 31st October 1993.

**PRINCIPAL ACTIVITIES**

The principal activity of the company in the year under review was that of Design and Build Contractors and Property Developers.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation was £226,553 (1992: £53,135) as detailed on page 4. The directors propose payment of final dividends of £125,000

**REVIEW OF THE DEVELOPMENT OF THE BUSINESS**

1993 was another excellent year for the Company with significant increases in both turnover and profit. The emphasis that we place on quality, together with the high calibre of our staff, have made this possible. During the year we made excellent progress in broadening our customer base which now includes, among others, Banks, Housing Associations, Universities, Health Authorities and Government Bodies.

The strength of the Company is reflected in our year end cash position. Good cash management, allied to selectivity in the type of work we undertake, will provide a solid base to continue our growth into 1994. The main focus of the Company will continue to be in design and build contracting, arising from the opportunities we are developing on behalf of our clients.

While Mount Anvil has its roots based in the traditional principles of quality, commitment and customer satisfaction, our eyes remain firmly fixed on the future and the changing needs of our clients.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year and their interests in the issued share capital of the company were as follows:

	<u>1993</u>	<u>1992</u>
	No. of shares	No. of shares
B J Bennett	1	1
C K Hurley	1	1
K Hynes (resigned 31.10.93)	-	-
J Steele (resigned 31.10.93)	-	-
D L Borer (appointed 31.10.93)	-	-
R Upton (appointed 31.10.93)	-	-

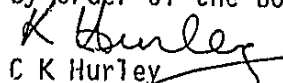
**ULTIMATE PARENT COMPANY**

The company's ultimate parent company was Mount Anvil Limited, throughout the year.

**AUDITORS**

The auditors, Barnes Roffe, have expressed their willingness to continue in office and a resolution will be proposed at the Annual General Meeting to re-appoint them as Auditors and to authorise the directors to fix their remuneration.

By Order of the Board

  
C K Hurley  
Secretary

Date: 26th January 1994

MOUNT ANVIL CONSTRUCTION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF MOUNT ANVIL CONSTRUCTION LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective Responsibilities of Directors and Auditors**

As described on page 8 the company's directors are responsible for the preparation of financial statements. 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 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 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 as at 31st October 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



3 Brook Business Centre  
Cowley Hill Road  
Uxbridge  
Middlesex UB8 2FX

Barnes Roffe  
Chartered Accountants  
Registered Auditors

Date: 26th January 1994

**MOUNT ANVIL CONSTRUCTION LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST OCTOBER 1993**

	<u>Notes</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
TURNOVER	3	7,663,891	1,550,858
COST OF SALES		<u>7,255,911</u>	<u>1,476,638</u>
GROSS PROFIT		407,980	74,220
Establishment and administrative expenses		113,938	25,116
OPERATING PROFIT	4	<u>294,042</u>	<u>49,104</u>
Interest receivable	6	<u>32,533</u>	<u>21,742</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		326,575	70,846
Tax on ordinary activities	7	<u>100,022</u>	<u>17,711</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	226,553	53,135
Dividends	8	125,000	-
RETAINED PROFIT FOR THE YEAR	13	<u><u>101,553</u></u>	<u><u>53,135</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company had no recognised gains or losses other than the profits for the above two financial years.

The notes on pages 8 to 11 form an integral part of these financial statements.

MOUNT ANVIL CONSTRUCTION LIMITED

BALANCE SHEET  
AS AT 31ST OCTOBER 1993

	<u>Notes</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
<b>CURRENT ASSETS</b>			
Work in progress		429,047	87,918
Debtors	9	230,171	507,960
Cash at bank and in hand		2,016,520	1,090,048
		<u>2,675,738</u>	<u>1,685,926</u>
<b>CREDITORS - amounts falling due within one year</b>			
	10	1,521,050	632,791
<b>NET CURRENT ASSETS</b>		<u>1,154,688</u>	<u>1,053,135</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	200,000	200,000
Profit and loss account	13	154,688	53,135
<b>SHAREHOLDERS' FUNDS</b>	12	<u>354,688</u>	<u>253,135</u>
<b>ZERO COUPON LOAN STOCK</b>	11	800,000	800,000
		<u>1,154,688</u>	<u>1,053,135</u>

Approved by the board and  
signed on its behalf by:

B J Bennett

C K Hurley

} Directors

Date: 26th January 1994

The notes on pages 8 to 11 form an integral part of these financial statements.

**MOUNT ANVIL CONSTRUCTION LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST OCTOBER 1993**

	NOTE	£	<u>1993</u>	£	£	<u>1992</u>	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	a			910,056			68,306
RETURN ON INVESTMENTS AND SERVICING OF FINANCE							
- Interest received			<u>32,533</u>			<u>21,742</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				32,533			21,742
TAXATION PAID				(16,117)			-
NET CASH (OUTFLOW) FROM INVESTMENT ACTIVITIES				<u>-</u>			<u>-</u>
NET CASH INFLOW BEFORE FINANCING				926,472			90,048
FINANCING							
- Net inflow from financing				-			1,000,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	b			<u>926,472</u>			<u>1,090,048</u>

The notes on pages 8 to 11 form an integral part of these financial statements.



**MOUNT ANVIL CONSTRUCTION LIMITED**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST OCTOBER 1993**

a. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1993	1992	
	£	£	
Operating Profit	294,042	49,164	
(Increase) in work in progress	(341,129)	(87,918)	
Decrease/(increase) in debtors	277,789	(507,960)	
Increase in creditors	679,354	615,080	
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>910,056</u>	<u>68,306</u>	

b. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	1993	1992	Change in year
	£	£	£
Cash at bank and in hand	<u>2,016,520</u>	<u>1,090,048</u>	<u>926,472</u>
	<u>2,016,520</u>	<u>1,090,048</u>	<u>926,472</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

## MOUNT ANVIL CONSTRUCTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 1993

#### **1. ACCOUNTING POLICIES**

##### **1.1 Accounting Convention**

The financial statements have been prepared under the historical cost convention.

##### **1.2 Turnover**

This represents amounts invoiced during the year for work certified as complete, net of value added tax.

##### **1.3 Work In Progress**

Work in progress is valued at the lower of cost and estimated realisable value including attributable profit less any foreseeable losses and progress payments received and receivable.

Attributable profit is determined by reference to the duration of the contract and the proportion of the work done at the balance sheet date.

##### **1.4 Deferred Taxation**

Deferred taxation is provided using the liability method if it can be foreseen with reasonable probability that a liability will arise in the future.

#### **2. 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 its profit for that year. 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;
- prepare the financial statements on a 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 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.

#### **3. TURNOVER**

The turnover and pre-tax result are mainly attributable to the company's activity of Design and Build Contractors and Property Developers.

The turnover arises entirely in the U.K.

# MOUNT ANVIL CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 1993

4.	OPERATING PROFIT	<u>1993</u>	<u>1992</u>
		£	£
	This is stated after charging (crediting):		
	Management charges by holding company	66,667	22,222
	Auditors' remuneration	2,390	2,350
	Early payment discounts	(10,175)	(78)
		<u>          </u>	<u>          </u>
5.	EMPLOYEE INFORMATION	<u>1993</u>	<u>1992</u>
		£	£
5.1	Staff costs including directors:		
	Wages and salaries	47,101	-
	Social security	4,899	-
	Site labour	472,292	78,929
		<u>          </u>	<u>          </u>
		524,292	78,929
		<u>          </u>	<u>          </u>
	The average weekly number of employees and site workers including directors during the year was as follows:	No.	No.
	Office and management	4	4
	Site	39	7
		<u>      </u>	<u>      </u>
		43	11
		<u>      </u>	<u>      </u>
5.2	Directors' emoluments:	£	£
	Other emoluments	47,101	-
	Chairman	23,551	-
		<u>          </u>	<u>          </u>
	Directors' emoluments fell within the following ranges:	No.	No.
	£Nil - £5,000	2	4
	£20,001 - £25,000	2	-
6.	INTEREST RECEIVABLE	<u>1993</u>	<u>1992</u>
		£	£
	Bank interest	32,533	21,742
		<u>          </u>	<u>          </u>

# MOUNT ANVIL CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 1993

<b>7. TAXATION</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 31.1% (1992:25%)	101,616	17,711
Adjustment of provision for previous years	(1,594)	-
	<u>100,022</u>	<u>17,711</u>
<b>8. DIVIDENDS</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
Final dividend proposed:		
Ordinary shares	<u>125,000</u>	<u>-</u>
<b>9. DEBTORS</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
Trade debtors	174,521	332,039
Amounts owed by group companies	-	100,000
Other debtors	55,119	69,543
Prepayments	531	6,378
	<u>230,171</u>	<u>507,960</u>
<b>10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
Trade creditors	1,101,810	462,449
Amounts owed to group companies	86,475	133,922
Corporation tax	101,616	17,711
Other taxes and social security costs	9,230	-
Other creditors	167,223	16,300
Accruals	54,696	2,409
	<u>1,521,050</u>	<u>632,791</u>

**MOUNT ANVIL CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1993**

<b>11. CAPITAL</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
Authorised:		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Issued and fully paid :		
Ordinary shares of £1 each	200,000	200,000
Zero coupon loan stock	800,000	800,000
<b>12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
Profit for the financial year after taxation	226,553	53,135
Dividends	(125,000)	-
Net addition to shareholders funds	101,553	53,135
New capital subscribed	-	200,000
Opening shareholders funds at 1st November 1992	253,135	-
Closing shareholders funds at 31st October 1993	354,688	253,135
<b>13. PROFIT AND LOSS ACCOUNT</b>	<b><u>1993</u></b>	<b><u>1992</u></b>
	<b>£</b>	<b>£</b>
At 1st November 1992	53,135	-
Retained profit for the year	101,553	53,135
At 31st October 1993	154,688	53,135
<b>14. ULTIMATE PARENT COMPANY</b>		
Mount Anvil Limited, incorporated in England, is the ultimate parent company and its financial statements for the year ended 31st October 1993 are available at Elmcote House, The Green, Rickmansworth, Hertfordshire, WD3 3HN.		