

ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

(Company number : 1042421)

DIRECTOR'S REPORT

Accounts

The director presents his report and financial statements for the year ended 31st December, 2000.

Activities

The principal activity of the Company, which has not changed during the year, is that of painting contractors.

The Company traded unsuccessfully during the year, and losses before taxation were £47,805. Taxation is expected to produce a credit of £13,868.

The state of the Company's affairs at 31st December, 2000 was not considered to be satisfactory.

Dividends

The director does not recommend payment of a dividend for the year to 31st December, 2000.

If this recommendation is approved the sum of £33,937 will be transferred from reserves.

Tax status

In the opinion of the director the Company is a close company within the meaning of Section 414, Income and Corporation Taxes Act 1988.

Director

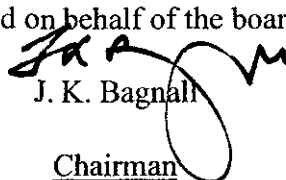
The member of the board during the year was:

J. K. Bagnall

Auditors

Simpson, Bendig & Co. offer themselves for re-appointment in accordance with the Companies Act 1985.

Signed on behalf of the board


J. K. Bagnall

Chairman

12th July, 2001



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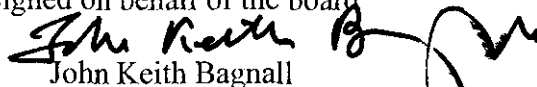
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Alfred Bagnall & Sons (Midlands) Limited

BALANCE SHEET AT 31ST DECEMBER, 2000

<u>1999</u> £		<u>Note</u>	£	£
<u>FIXED ASSETS</u>				
22,521	Tangible assets	2		3,038
<u>CURRENT ASSETS</u>				
26,741	Stocks	3	30,432	
184,315	Debtors	4	453,470	
14,164	Cash and bank balances		69,302	
225,220			553,204	
(822,394)	<u>CREDITORS</u> (due within one year)	5	(1,164,832)	
(597,174)	<u>NET CURRENT LIABILITIES</u>			(611,628)
(574,653)	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			(608,590)
<u>CAPITAL AND RESERVES</u>				
5,000	Called up share capital	6		5,000
(579,653)	Profit and loss account	7		(613,590)
(574,653)				(608,590)

Signed on behalf of the board


John Keith Bagnall

The accounts were approved by the director on 12th July, 2001

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2000

<u>1999</u> £		<u>Note</u>	£	£
608,776	Turnover	8		1,044,416
47,756	Change in long-term contract balances			3,691
656,532				1,048,107
	Deduct:			
85,352	Materials		133,398	
28,846	Other contract costs (excluding staff)		244,683	
499,349	Staff costs	9	511,168	
14,347	Depreciation		10,083	
170,962	Other operating charges		173,124	
798,856				1,072,456
(142,324)				(24,349)
20,456	Interest payable	10		23,456
(162,780)	<u>Loss on ordinary activities</u> <u>before taxation</u>	11		(47,805)
(48,830)	Tax on loss on ordinary activities	12		(13,868)
(113,950)	Loss on ordinary activities after taxation			(33,937)
-	Dividend proposed			-
(113,950)	Transfer from reserve			(33,937)

There were no recognised gains and losses in 1999 or 2000 other than the loss for the year.
None of the Company's activities was acquired or discontinued during the above two financial periods.

NOTES TO THE ACCOUNTS

Accounting policies, where applicable, are disclosed in the following notes:

1. The financial statements have been drawn up to meet the reporting requirements of the Companies Act 1985, as amended, and have been prepared on bases consistent with previous periods and in accordance with applicable accounting standards. They have been prepared on the presumption that the business is being carried on as a going concern, and in this respect the Company relies on the continued financial support of its holding company.

2. Tangible fixed assets

	<u>Motor Vehicles</u> £
<u>COST</u>	
At 31 st December, 1999	73,652
Additions	-
Disposals	(20,101)
At 31 st December, 2000	53,551
<u>DEPRECIATION</u>	
At 31 st December, 1999	51,131
Provided during year	13,574
Eliminated re disposals during year	(14,192)
At 31 st December, 2000	50,513
<u>NET BOOK VALUE</u>	
At 31 st December, 1999	<u>22,521</u>
At 31 st December, 2000	<u>3,038</u>

Motor vehicles are depreciated on a straight-line basis over a period of not more than 3 years.

Moveable plant and scaffold, and equipment, fixtures and fittings are written off in the year of purchase on a renewals basis.

NOTES - Continued

3. Stocks

	<u>1999</u>	<u>2000</u>
	£	£
Materials and consumables at lower of cost and net realisable value	300	300
Long-term contract balances at net cost, less foreseeable losses and payments on account	26,441	30,132
	26,741	30,432

4. Debtors

Trade debtors	123,449	372,774
Corporation Tax recoverable	48,830	62,698
Sundry debtors and prepayments	12,036	17,998
	184,315	453,470

5. Creditors (due within one year)

Trade creditors	1,660	2,245
Amounts owed to group undertakings	812,564	1,150,327
Other taxes and social security	8,170	12,260
	822,394	1,164,832

6. Called up share capital

Authorised

10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
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Allotted, called up and fully paid

5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
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NOTES - Continued

	<u>1999</u> £	<u>2000</u> £
7. <u>Profit and loss account</u>		
At beginning of year	(465,703)	(579,653)
Unappropriated loss for year	(113,950)	(33,937)
	—	—
At end of year	(579,653)	(613,590)
	—	—
8. <u>Turnover</u>		
Turnover for the year represents applications to external customers for payment for work carried out, adjusted where necessary for any estimated net value of long-term contract balances.		
9. <u>Particulars of employees</u>		
The average number of persons employed by the Company (including directors) during the year was:-		
	<u>1999</u>	<u>2000</u>
Manual	19	20
Administrative	6	6
	—	—
	25	26
	—	—
Their total remuneration was:-		
	£	£
Wages and salaries	452,259	465,015
Social security costs	40,616	40,836
Other pension costs (Note 14)	6,474	5,317
	—	—
	499,349	511,168
	—	—
10. <u>Interest payable</u>		
Interest payable to group undertakings	20,456	23,456
	—	—

NOTES - Continued

11.	<u>Loss on ordinary activities before taxation</u>	<u>1999</u> £	<u>2000</u> £
	After charging:		
	Hire of plant and machinery	46,318	88,506
	Auditors' remuneration:		
	Audit work	1,757	1,936
	Non-audit work	1,103	1,584

12.	<u>Tax on loss on ordinary activities</u>		
	U.K. corporation tax recoverable at 30% (1999; 30%) on results for the year	(48,830)	(13,868)
		—————	—————
		(48,830)	(13,868)
		—————	—————

13. Information regarding the director

Share interests:

The table below sets out the name of the person who was the director of the Company at 31st December, 2000, together with details, as recorded in the register of directors' interests, of his interests in shares of the Company and other undertakings in the group at that date and corresponding details at 31st December, 1999. The interests are beneficial unless indicated otherwise.

	<u>J. K. Bagnall</u>	
	<u>1999</u>	<u>2000</u>
Alfred Bagnall & Sons Limited	4,000	4,000
Alfred Bagnall & Sons Limited	3,765*	3,765*
Alfred Bagnall & Sons (Marine)Limited	1	1

* Interest as trustee of a discretionary settlement

Remuneration:

The director received no emoluments from the Company.

14. Pensions

There are in operation in the Group three pension schemes designed for staff and operatives. The main basic scheme is a defined benefit scheme, and particulars of the actuarial valuation are contained in the financial statements of the holding company, Alfred Bagnall & Sons Ltd.

In the current year the sum of £5,317 was charged to the profit and loss account in respect of pension costs on behalf of those employees who are members of any of the Group's schemes.

REPORT OF THE AUDITORS TO THE MEMBERS OF
ALFRED BAGNALL & SONS (MIDLANDS) LIMITED

We have audited the financial statements on pages 2 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of the director and auditors

As described on page 8 the Company's director is 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.

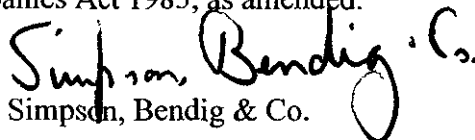
Basis of opinion

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 director 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 at 31st December, 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.


Simpson, Bendig & Co.

Chartered Accountants

Registered Auditor

Bradford

12th July, 2001