

**RG CARTER COLCHESTER
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2000



Company no 2113021

RG Carter Colchester Limited
Annual Report and Accounts
for the year ended 31 December 2000

Directors

RG Carter
TH Atkins
BHJ Neale
RA Harrington

Secretary and registered office

GWV Daniels, Drayton, Norwich, NR8 6AH

Company number

2113021

Auditors

Grant Thornton, Chartered Accountants, Holland Court, The Close, Norwich, NR1 4DY

Your Directors present their Report and Accounts of the Company for the year ended 31 December 2000.

Principal Activity

The principal activity of the Company is that of building contractors, conducted through its operations at Colchester and London.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, 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, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 to enable them to ensure that the accounts 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.

Business Review

The Company is pleased to report a satisfactory result for 2000 on a slightly increased level of activity.

The Directors are confident that given the current order book and level of enquiries an acceptable result will be achieved for the current trading year.

The results for the year are set out in the profit and loss account on page 4 of the accounts and the balance sheet, which shows the state of the Company's affairs at 31 December 2000, is presented on page 5.

The net profit before taxation for the year ended 31 December 2000 was £323,056 compared with £587,891 for the previous year.

Dividends

The Directors authorised payment of an interim dividend of £75,000 and propose a final dividend of £125,000.

Directors and their interests

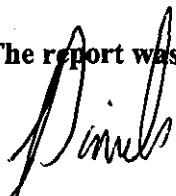
The Directors who served the Company during the year were:

RG Carter
TH Atkins
BHJ Neale
RA Harrington

None of the Directors had any beneficial interest in the shares of RG Carter Colchester Limited at the beginning or end of the year.

Mr RG Carter, Mr TH Atkins and Mr BHJ Neale are Directors of RG Carter Holdings Limited, the ultimate parent undertaking of the Group, and have therefore notified the Secretary of RG Carter Holdings Limited of their interests in the shares of that Company.

The report was approved by the Board on 11 April 2001



GWV Daniels
Secretary

**REPORT OF THE AUDITORS TO THE MEMBERS OF
RG CARTER COLCHESTER LIMITED**

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 to 7.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements 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.

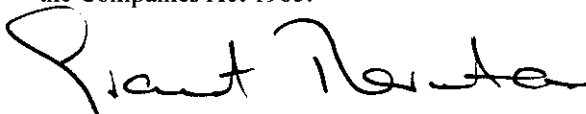
Basis of opinion

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 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

NORWICH

11 April 2001.

RG Carter Colchester Limited

**Profit and loss account
for the year ended 31 December 2000**

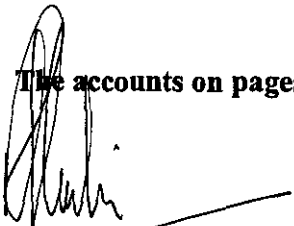
	Note	2000 £	1999 £
Turnover	3	14,356,739	13,453,311
Net operating costs	4	14,219,819	13,033,751
Operating profit		136,920	419,560
Other operating income	7	186,136	168,331
Profit on ordinary activities before taxation		323,056	587,891
Taxation on profit on ordinary activities	8	(19,101)	(76,662)
Profit for the financial year		303,955	511,229
Dividends on ordinary shares	9	200,000	200,000
Retained profit for the financial year	17	103,955	311,229

All recognised gains and losses are included in the profit and loss accounts on continuing activities above.

Balance sheet
at 31 December 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	10	406,213	390,988
Current assets			
Stocks	11	23,657	25,594
Debtors	12	3,561,682	2,626,630
Cash at bank and in hand		2,498,960	3,702,685
		<u>6,084,299</u>	<u>6,354,909</u>
Creditors: amounts falling due within one year	14	<u>5,185,246</u>	<u>5,541,078</u>
Net current assets		<u>899,053</u>	<u>813,831</u>
Total assets less current liabilities		<u>1,305,266</u>	<u>1,204,819</u>
Creditors: amounts falling due after more than one year	15	<u>29,902</u>	<u>33,410</u>
Net assets		<u>1,275,364</u>	<u>1,171,409</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	1,275,264	1,171,309
Equity shareholders funds	18	<u>1,275,364</u>	<u>1,171,409</u>

The accounts on pages 4 to 13 were approved by the Board on 11 April 2001


R.G. Carter
Director

1 Basis of preparation of accounts

The accounts for the year have been prepared in accordance with applicable accounting standards under the historical cost convention.

A cash flow statement has not been prepared as the Directors have elected to take advantage of the exemption available to wholly owned subsidiary undertakings, as conferred by FRS1.

In accordance with the exemption available under paragraph 3(c) of FRS8, transactions with entities that are part of the RG Carter Holdings Limited Group are not disclosed.

2 Accounting policies

Turnover

Turnover represents work done and goods sold together with amounts receivable for services provided excluding value added tax.

Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets over their estimated useful lives, generally at the rates shown below although additional amounts may be provided from time to time dependent on particular circumstances.

Long leasehold property	-	2%
Plant and equipment	-	20%
Motor vehicles	-	20%
Office equipment	-	15%
Computer equipment	-	25%

Deferred taxation

Deferred taxation is calculated on the liability method and arises from differences in timing between the recognition of income and expenditure for taxation purposes and for accounting purposes. In arriving at the liability the Directors have had regard to the possibility of timing differences reversing in the foreseeable future.

Stocks

- (i) Stocks are valued at the lower of cost and net realisable value.
- (ii) Site huts and scaffolding are treated as trading stock items and are written down over a period of three years.

2 Accounting policies (*continued*)

Contracts in progress

- (i) Contracts in progress are stated at prime cost plus contracting overheads, some account being taken of profits accrued to date on major long term contracts and provision for losses, including estimated future losses, being deducted where appropriate.
- (ii) Contracts awarded since the year end but for which there has been prior agreement to tender are included in contracts in progress and, where appropriate, provisions have been made in respect of any losses anticipated on such contracts.
- (iii) Claims receivable arising on contracts are normally taken to profit when agreed and paid.
- (iv) Progress payments received and receivable attributable to the value of contracts are deducted in presenting the amounts receivable on contracts in the accounts. Progress payments and amounts in excess of contract values are stated separately.

Pensions

The Group operates a contributory pension scheme covering Directors and designated site and staff positions, which provides benefits based on final pensionable salary.

Regular pension costs are established in accordance with the recommendations of an independent actuary and are charged to the profit and loss account based on the expected pension costs over the employees' service lives with the Group. The current actuarial surplus has been spread over the remaining service lives.

The Group also operates a defined contribution pension scheme. The costs are charged to the profit and loss account as incurred.

Operating leases

Operating lease payments are written off as an expense when incurred.

3 Turnover and profit on ordinary activities

There were no material differences between reported profit and historical cost profit on ordinary activities before taxation in either 2000 or 1999.

Notes forming part of the accounts
for the year ended 31 December 2000 (Continued)**4 Net operating costs**

	2000 £	1999 £
Materials, site and production costs	10,285,006	9,319,429
Staff costs (see note 5(i))	2,679,194	2,585,016
Depreciation	118,612	129,656
Other operating charges:		
Plant hire	274,298	253,488
Auditors' remuneration - audit services	9,000	10,000
Other charges	853,709	736,162
	<u>14,219,819</u>	<u>13,033,751</u>

5 Staff costs and numbers

	2000 £	1999 £
(i) Employee costs for the year:		
Wages and salaries	2,365,179	2,327,674
Social security costs	218,984	219,248
Other pension costs	30,322	3,300
	<u>2,614,485</u>	<u>2,550,222</u>
Other employee costs	64,709	34,794
	<u>2,679,194</u>	<u>2,585,016</u>
	2000 Number	1999 Number
(ii) The average number of persons employed by the Company during the year, all of whom were engaged in the Company's principal activity was:	123	127

6 Emoluments of Directors

No director received any remuneration during the year.(1999: £NIL)

Retirement benefits have accrued to 4 Directors under a Group defined benefit scheme (1999: 4).

7 Other operating income

	2000 £	1999 £
Interest receivable	186,136	168,331

8 Taxation

	2000 £	1999 £
The charge for taxation is made up as follows		
Based on the profit for the year		
Corporation tax	26,364	200,132
Over provision in respect of prior years	(7,263)	(123,470)
	<u>19,101</u>	<u>76,662</u>

Deferred tax at 31 December 2000 comprises £NIL (1999: £1,669) relating to amounts deferred by accelerated writing down allowances on tangible fixed assets offset by an equivalent amount arising out of other timing differences.

9 Dividends

	2000 £	1999 £
<i>Equity</i>		
Interim dividend paid	75,000	75,000
Proposed final dividend	125,000	125,000
	<u>200,000</u>	<u>200,000</u>

10 Tangible fixed assets

	Long leasehold property £	Plant and equipment £	Vehicles, fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2000	175,362	323,135	825,949	1,324,446
Additions	2,718	1,884	133,340	137,942
Disposals	-	(34,647)	(90,070)	(124,717)
Inter Group transfers	-	-	(12,537)	(12,537)
At 31 December 2000	<u>178,080</u>	<u>290,372</u>	<u>856,682</u>	<u>1,325,134</u>
<i>Depreciation</i>				
At 1 January 2000	83,931	266,221	583,306	933,458
Charge for the year	3,690	17,760	97,162	118,612
Disposals	-	(34,303)	(90,070)	(124,373)
Inter Group transfers	-	-	(8,776)	(8,776)
At 31 December 2000	<u>87,621</u>	<u>249,678</u>	<u>581,622</u>	<u>918,921</u>
<i>Net Book Value</i>				
At 31 December 2000	<u>90,459</u>	<u>40,694</u>	<u>275,060</u>	<u>406,213</u>
At 31 December 1999	<u>91,431</u>	<u>56,914</u>	<u>242,643</u>	<u>390,988</u>

11 Stocks

	2000 £	1999 £
Trading stocks	<u>23,657</u>	<u>25,594</u>

12 Debtors

	2000 £	1999 £
<i>Amounts falling due within one year</i>		
Trade debtors	1,140,212	1,039,477
Amounts owed by Group undertakings	1,288,558	892,473
Amounts recoverable on contracts	975,735	482,185
Other debtors	100,737	157,488
Prepayments and accrued income	56,440	55,007
	<u>3,561,682</u>	<u>2,626,630</u>

13 Group bank account and overdrafts

The Group bank account is in the name of the RG Carter Group. As a result the Company, together with certain subsidiary undertakings, has jointly and severally entered into a bank guarantee in respect of overdraft facilities of the Group. There was no Group overdraft at 31 December 2000 (1999: £NIL). The amount included in the Company's balance sheet for the Group bank account represents a memorandum figure.

14 Creditors: amounts falling due within one year

	2000 £	1999 £
Progress payments and amounts in excess of contract values	1,085,182	1,772,367
Trade creditors	3,430,664	2,924,350
Amounts owed to Group undertakings	78,980	83,823
Corporation tax	102,424	180,064
Other taxes and social security	86,982	85,987
Other creditors	214,525	274,317
Accruals	61,489	95,170
Dividends	125,000	125,000
	<u>5,185,246</u>	<u>5,541,078</u>

15 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Trade creditors	<u>29,902</u>	<u>33,410</u>

16 Share capital

	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

17 Reserves

	Profit and loss account £
At 1 January 2000	1,171,309
Retained profit for the financial year	<u>103,955</u>
At 31 December 2000	<u>1,275,264</u>

18 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	303,955	511,229
Dividends	<u>(200,000)</u>	<u>(200,000)</u>
Net addition to shareholders' funds	103,955	311,229
Opening shareholders' funds	<u>1,171,409</u>	<u>860,180</u>
Closing shareholders' funds	<u>1,275,364</u>	<u>1,171,409</u>

19 Group pension scheme and commitments

The Company participates in a Group contributory pension scheme covering Directors and designated site and staff positions and is based on final pensionable salary. The scheme funds are administered by the Trustee and are insured by annuity and life policies with an insurance company. The Company's contributions, which are paid to the scheme in accordance with the recommendations of the actuary, are charged to the profit and loss account in the year in which they accrue. An actuarial review of the fund is carried out at three yearly intervals and the latest review, made on 1 January 1999, disclosed that there were no unfunded liabilities at that date on the on-going valuation basis and assumptions adopted. Details of the scheme can be found in the accounts of RG Carter Holdings Limited.

On 1 July 2000 the Group introduced a defined contribution pension scheme for certain designated site and staff positions. The assets are held independently from those of the Group in individual members funds. The Company's contributions charged for the year to 31 December 2000 were £5,568.

20 Contingent liabilities

The Company and certain of its fellow subsidiary undertakings were contingently liable in respect of bank facilities referred to in note 13.

The Company was also contingently liable in respect of any claim which may arise out of performance bonds and other arrangements entered into in the ordinary course of business.

21 Commitments under operating leases

As at 31 December 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
After five years	9,400	-	9,400	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

22 Parent undertakings

The parent undertaking of RG Carter Colchester Limited is RG Carter Construction Limited, the ultimate parent undertaking is RG Carter Holdings Limited.