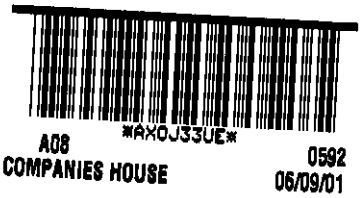
Nationwide Access Limited

Annual report

for the year ended 31 December 2000

Registered no: 2268921



Nationwide Access Limited

Annual report
for the year ended 31 December 2000

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Nationwide Access Limited

Directors and advisers

Executive directors

Chairman
D L Price

A G Stokes
A S Merrell
D C Shipman
G Gibson
M A Evans
M D Johnson
R D Saunders
T Graham

Secretary and registered office

A S Merrell
1 Midland Court
Central Park
Lutterworth
Leicestershire
LE17 4PN

Registered auditors

PricewaterhouseCoopers
Temple Court
35 Bull Street
Birmingham
B4 6JT

Solicitors

Kimbell & Co
352 Silbury Court
Milton Keynes
Bucks
MK9 2HJ

Bankers

Bank of Scotland plc
14 Friar Lane
Leicester
LE1 5RA

Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

Principal activity

The principal activity of the company continues to be the rental of specialist powered access equipment to provide temporary aerial access for a broad range of applications in industrial repair and maintenance, construction and other sectors, including telecommunications, outside broadcasting, sign erection and highway maintenance.

The profit and loss account for the year is set out on page 7.

Review of business and future developments

The company has made good progress in the year with turnover and profit on ordinary activities before taxation increasing to £43,514,000 (1999: £32,213,000) and £8,800,000 (1999: £7,576,000) respectively.

Looking to the year ahead, the directors are confident that the company will make further progress in it's chosen markets.

Results and dividends

The directors have declared the following ordinary dividends during the year:

	Total £	Per share £
Interim paid December 2000	1,000,000	4.00

The retained profit for the financial year of £4,697,000 (1999: £4,184,000) will be transferred to reserves.

Directors

The directors of the company at 31 December 2000 and for the whole of the year then ended (unless otherwise stated) were:

D L Price
A G Stokes (appointed 1 January 2000)
A S Merrell
D C Shipman
G Gibson
M A Evans
M D Johnson (appointed 18 September 2000)
R D Saunders (appointed 1 January 2000)
T Graham

Directors' interests

D L Price, D C Shipman and A S Merrell are also directors of the parent company, and their interests in its share capital is disclosed in the group financial statements.

The interests of the remaining directors in the ordinary share capital of the parent company at 31 December 2000 are as follows:

	Beneficial interest in ordinary shares (no)	Date of grant	Ordinary share options granted (no)	Option price per ordinary share (pence)	Options exercised during 2000 (no)	Exercisable at 31 December 2000 (no)	Notes
A G Stokes	100						
		11 October 1996	5,171	145.0	5,171	-	2
		2 September 1997	607	246.5	-	607	2, 3
		16 March 1998	192	388.0	-	-	2, 3
		16 March 1998	7,731	388.0	-	-	1, 3
		16 March 1999	669	335.5	-	-	2, 3
		16 March 1999	12,034	335.5	-	-	1, 3
		21 April 1999	13,306	362.5	-	-	1, 3
G Gibson	-						
		11 October 1996	2,844	145.0	2,844	-	2
		27 March 1997	778	240.5	-	778	2, 3
		16 March 1998	1,352	388.0	-	-	2, 3
		16 March 1998	7,731	388.0	-	-	1, 3
		16 March 1999	12,034	335.5	-	-	1, 3
		21 April 1999	13,306	362.5	-	-	1, 3

Directors' interests (continued)

	Beneficial interest in ordinary shares (no)	Date of grant	Ordinary share options granted (no)	Option price per ordinary share (pence)	Options exercised during 2000 (no)	Exercisable at 31 December 2000 (no)	Notes
M A Evans	-						
		11 October 1996	14,564	145.0	14,564	-	1
		16 March 1998	7,731	388.0	-	-	1, 3
		16 March 1999	12,034	335.5	-	-	1, 3
		21 April 1999	13,306	362.5	-	-	1, 3
M D Johnson	-						
		18 September 2000	25,000	503.5	-	-	1
R D Saunders	-						
		2 September 1997	1,824	246.5	-	1,824	2, 3
		16 March 1998	96	388.0	-	-	2, 3
		16 March 1998	7,731	388.0	-	-	1, 3
		24 August 1998	391	414.5	-	-	2, 3
		16 March 1999	446	335.5	-	-	2, 3
		16 March 1999	12,034	335.5	-	-	1, 3
		21 April 1999	13,306	362.5	-	-	1, 3
		23 August 1999	482	414.5	-	-	2, 3
T Graham	4,285						
		11 October 1996	13,425	145.0	-	13,425	1, 3
		16 March 1998	7,731	388.0	-	-	1, 3
		16 March 1999	12,034	335.5	-	-	1, 3
		21 April 1999	13,306	362.5	-	-	1, 3

Notes:

(1) Option grants in accordance with the Lavendon Group 1996 Unapproved Executive Share Option Scheme.
(2) Option grants in accordance with the Lavendon Group 1996 Company Share Option Plan.
(3) Adjusted for the effects of the Parent Company's Placing and Open Offer of new ordinary shares in April 2000.

Directors' insurance

The company has maintained insurance throughout the year to cover all directors against liabilities in relation to the company.

Employees

The company pursues a policy of employee communication through regular team briefings and newsletters. Personal employee development is encouraged through the structure provided by the Investors in People National Standard. Employee involvement in the financial performance of the company is encouraged through a comprehensive range of well established profit share programmes.

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during employment will be retained wherever possible and retrained if necessary. The company is prepared to modify procedures or equipment wherever this is practicable, to allow full use to be made of an individual's abilities.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Policy on payment of suppliers

The payment policies adopted reflect the terms and conditions agreed with the company's suppliers. These differ from one supplier to the next depending on the nature of the supply, contractual terms, and custom and practice in the country concerned. Once terms and conditions have been agreed, it is the company's policy to honour them provided that there is no cause to do otherwise.

The company's creditor payment period at 31 December 2000 was 46 days (1999: 58 days) excluding capital creditors. Capital creditors arise due to extended credit periods agreed with suppliers of powered access equipment for the rental fleet.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



Secretary
Date: 3 September 2001

Auditors' report to the members of Nationwide Access Limited

We have audited the financial statements on pages 7 to 19.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham
Date: 3 September 2001

Profit and loss account for the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Turnover	2	**43,514**	32,213
Cost of sales		**(18,961)**	(14,014)
Gross profit		**24,553**	18,199
Net operating expenses	3	**(12,004)**	(8,629)
Operating profit	4	**12,549**	9,570
Interest payable and similar charges	7	**(3,749)**	(1,994)
Profit on ordinary activities before taxation		**8,800**	7,576
Taxation on profit on ordinary activities	8	**(3,103)**	(2,292)
Profit on ordinary activities after taxation		**5,697**	5,284
Dividends	9	**(1,000)**	(1,100)
Retained profit for the year	17	**4,697**	4,184

All of the company's activities detailed above relate to continuing operations for both the current and previous years.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Balance sheet
at 31 December 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	10	**97,027**	59,949
Current assets			
Stocks	11	**410**	295
Debtors	12	**13,844**	9,422
Cash at bank and in hand		**33**	123
		14,287	9,840
Creditors: amounts falling due within one year	13	**(58,928)**	(29,668)
Net current liabilities		**(44,641)**	(19,828)
Total assets less current liabilities		**52,386**	40,121
Creditors: amounts falling due after more than one year	14	**(27,010)**	(23,182)
Provisions for liabilities and charges	15	**(7,528)**	(3,788)
Net assets		**17,848**	13,151
Capital and reserves			
Called up share capital	16	**250**	250
Profit and loss account	17	**17,598**	12,901
Equity shareholders' funds	18	**17,848**	13,151

The financial statements on pages 7 to 19 were approved by the board of directors on 3 September 2001 and were signed on its behalf by:



Director

Notes to the financial statements for the year ended 31 December 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies have been applied consistently and are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Adoption of new accounting standards

The company has adopted Financial Reporting Standard 16 "Current tax" in the financial statements this year.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets down to their estimated residual values, on a straight line basis, over the expected useful economic lives of the assets concerned. The principal economic lives used for this purpose are:

	Years
Freehold buildings	50
Plant and machinery	4 - 12
Motor vehicles	3 - 10
Fixtures and fittings	4

The company's powered access rental equipment is considered to have a residual value equivalent to 10-30% of original cost, depending on the size of the platform concerned.

Short leasehold land and buildings are amortised over the period of the lease. Freehold land is not depreciated.

The company reviews the carrying values of assets on an annual basis in order to identify any impairment in value.

Foreign currencies

Transactions of the company denominated in foreign currencies are translated into sterling at the exchange rates ruling at the time of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date.

1 Principal accounting policies (continued)

Hire purchase and finance lease obligations

Hire purchase and finance lease payments are treated as consisting of capital and interest elements. The capital element is applied to reduce its outstanding obligation and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance lease agreements are depreciated over the shorter of the period of the lease or their useful economic lives.

Operating leases

Rentals under operating leases are charged to the profit and loss account as incurred.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost includes transport and handling charges. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash flow statement

The company is a wholly-owned subsidiary of Lavendon Group plc and is included in the consolidated financial statements of Lavendon Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension costs

The company operates several defined contribution pension schemes, the assets of which are held separately from those of the company. The amount of any contributions payable to the schemes in respect of the accounting period are charged to the profit and loss account. Any outstanding or prepaid contributions at the balance sheet date are shown as liabilities or assets respectively.

The company provides no other post retirement benefits to its employees.

2 Turnover

	2000		1999	
	Sales by destination £'000	**Sales by origin £'000**	Sales by destination £'000	Sales by origin £'000
United Kingdom	**41,982**	**43,514**	30,607	32,213
Rest of Europe	**674**	**-**	1,047	-
Rest of World	**858**	**-**	559	-
	43,514	**43,514**	32,213	32,213

3 Net operating expenses

	2000 £'000	1999 £'000
Administrative expenses	**12,004**	8,629

4 Operating profit

	2000 £'000	1999 £'000
Operating profit is stated after charging:		
Depreciation (note 10)	**9,215**	7,242
Staff costs (note 6)	**11,677**	8,653
Auditors' remuneration for audit services	**20**	19
Hire of plant and machinery	**1,010**	81
Other operating leases – property	**1,139**	849
And after crediting:		
Profit on disposal of tangible fixed assets	**320**	68

The directors believe that it is not practicable to analyse the depreciation charge between owned assets and assets held under hire purchase agreements and bills of exchange.

5 Directors' emoluments

	2000 £'000	1999 £'000
Emoluments (including pension contributions and benefits in kind)	**1,262**	926

Highest paid director

	2000 £'000	1999 £'000
Aggregate emoluments	**294**	234
Company pension contributions to money purchase schemes	**58**	57

6 Staff costs

The average monthly number of persons (including executive directors) employed by the company during the year, analysed by category, was:

	2000 Number	1999 Number
Operations	**240**	182
Selling and distribution	**164**	136
Administration	**57**	58
	461	376

Aggregate payroll costs for the above persons (including executive directors):

	2000 £'000	1999 £'000
Wages and salaries	**10,478**	7,705
Social security costs	**929**	750
Other pension costs	**270**	198
	11,677	8,653

7 Interest payable and similar charges

	2000 £'000	1999 £'000
On bank loans and overdrafts	-	16
On hire purchase and finance lease agreements	1,139	983
On bills of exchange	15	29
On loans from group undertakings	2,595	966
	3,749	1,994

8 Taxation on profit on ordinary activities

	2000 £'000	1999 £'000
UK Corporation Tax at 30.00% (1999: 30.25%)		
Current	(533)	986
Deferred (note 15)	3,740	1,217
Prior year adjustment for (over)/under provision	(104)	50
ACT written off	-	39
	3,103	2,292

9 Dividends

	2000 £'000	1999 £'000
Ordinary shares - interim paid of £4.00 (1999: £4.40) per share	1,000	1,100

10 Tangible fixed assets

	Freehold land and buildings £'000	Short leasehold properties £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost						
At 1 January 2000	72	324	79,461	3,590	543	83,990
Additions	-	174	49,516	2,708	236	52,634
Net transfers with group companies	-	5	-	(1)	3	7
Disposals	-	-	(10,420)	(323)	(36)	(10,779)
At 31 December 2000	**72**	**503**	**118,557**	**5,974**	**746**	**125,852**
Depreciation						
At 1 January 2000	36	124	21,662	1,878	341	24,041
Charge for the year	36	88	8,033	978	80	9,215
Net transfers with group companies	-	2	-	(6)	1	(3)
Disposals	-	-	(4,099)	(304)	(25)	(4,428)
At 31 December 2000	**72**	**214**	**25,596**	**2,546**	**397**	**28,825**
Net book value						
At 31 December 2000	**-**	**289**	**92,961**	**3,428**	**349**	**97,027**
At 31 December 1999	36	200	57,799	1,712	202	59,949

The net book value of tangible fixed assets includes an amount of £22,919,000 (1999: £18,587,000) in respect of assets held under hire purchase and finance lease agreements and an amount of £574,000 (1999: £619,000) in respect of assets purchased using bills of exchange.

11 Stocks

	2000 £'000	1999 £'000
Spares	**317**	220
Consumables	**93**	75
	410	295

12 Debtors

	2000 £'000	1999 £'000
Amounts falling due within one year:		
Trade debtors	**11,544**	8,217
Amounts owed by group undertakings	**279**	526
Other debtors	**984**	288
Prepayments and accrued income	**1,034**	391
	13,841	9,422
Amounts falling due after more than one year:		
Amounts owed by group undertakings	**3**	-
	13,844	9,422

13 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Bank loans and overdrafts (note 13(a))	**648**	-
Amounts owed to group undertakings (note 13(b))	**35,767**	16,263
Hire purchase and finance lease liabilities	**5,285**	4,504
Bills of exchange	**69**	136
Trade creditors	**3,363**	1,718
Capital creditors (note 13(c))	**10,970**	2,840
Corporation tax	**-**	929
Other taxation and social security	**307**	1,649
Other creditors	**63**	39
Accruals and deferred income	**2,456**	1,590
	58,928	29,668

(a) The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and by cross guarantees (note 21).

(b) Amounts owed to group undertakings in 2000 include a sterling denominated loan from a fellow subsidiary repayable within less than one year. Interest is charged on the outstanding balance at a commercial rate, interest being charged annually.

(c) Capital creditors arise from the purchase of powered access equipment for the rental fleet on extended credit terms.

14 Creditors: amounts falling due after more than one year

	2000 £'000	1999 £'000
Amounts owed to group undertakings (see below)	**15,000**	13,291
Hire purchase and finance lease liabilities	**12,010**	9,822
Bills of exchange	**-**	69
	27,010	23,182

Amounts owed to group undertakings represent unsecured loans on which interest is charged at a commercial rate. They have no fixed repayment terms other than not being repayable within one year from the date of the balance sheet.

Hire purchase and finance lease liabilities and bills of exchange are repayable as follows:

	2000 £'000	1999 £'000
In one year or less	**5,354**	4,640
Between one and two years	**4,665**	3,749
Between two and five years	**7,345**	5,790
In excess of five years	**-**	352
	17,364	14,531

15 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the total potential liability including the amounts for which provision has been made, are as follows:

	2000		1999	
	Amount provided £'000	**Total Potential Liability £'000**	Amount provided £'000	Total potential liability £'000
Tax effect of timing differences Because of:				
Excess of capital allowances over depreciation	**7,576**	**9,428**	3,836	6,175
Short term timing differences	**(48)**	**(48)**	(48)	(48)
	7,528	**9,380**	3,788	6,127

15 Provisions for liabilities and charges (continued)

The movement in deferred taxation provided may be summarised as follows:

	2000 £'000	1999 £'000
At beginning of period	3,788	2,571
Charge to profit and loss account (note 8)	3,740	1,217
At end of period	7,528	3,788

16 Called up share capital

	2000 £'000	1999 £'000
Authorised		
250,000 ordinary shares of £1 each	250	250
Allotted, called up and fully paid		
250,000 ordinary shares of £1 each	250	250

17 Profit and loss account

	2000 £'000	1999 £'000
At 1 January	12,901	8,717
Retained profit for the year	4,697	4,184
At 31 December	17,598	12,901

18 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Profit for the year	5,697	5,284
Dividends	(1,000)	(1,100)
Net addition to shareholders' funds	4,697	4,184
Shareholders' funds as at 1 January	13,151	8,967
Shareholders' funds as at 31 December	17,848	13,151

19 Leasing commitments

At 31 December 2000, the company had annual commitments under non-cancellable operating leases expiring as follows:

	2000		1999	
	Land and buildings £'000	**Other £'000**	Land and Buildings £'000	Other £'000
Within one year	**271**	**-**	209	-
Within two to five years	**496**	**2,470**	519	11
After five years	**245**	**-**	28	-
	1,012	**2,470**	756	11

20 Capital commitments

	2000 £'000	1999 £'000
Contracts placed for future capital expenditure and not provided in the financial statements	**3,235**	11,655

On 2 January 2001 the company completed the purchase of the powered access fleet of Lex Service Plc for a total consideration of £3,917,000.

21 Contingent liabilities

The company is party to an unlimited cross guarantee to secure the bank facilities of its parent undertaking and certain fellow subsidiaries, which amounted to £41,101,000 at 31 December 2000 (1999: £14,702,000).

A potential liability exists at 31 December 2000 amounting to a maximum of £2,274,597 relating to a restocking fee under the terms of one of the company's operating lease agreements. Having considered the situation at 31 December 2000, the directors are of the opinion that no material provision is currently appropriate.

22 Related party transactions

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing other related party transactions with entities that are part of the Lavendon Group plc or investees of the Lavendon Group plc.

23 Parent undertaking

The directors regard Lavendon Group plc, a company registered in England, as the parent undertaking. The directors regard Lavendon Group plc as the controlling party by virtue of its controlling interest in the company's equity capital. According to the register kept by the company, Lavendon Group plc has a 100% interest in the equity capital of Nationwide Access Limited at 31 December 2000. Copies of the parent's consolidated financial statements may be requested from A S Merrell, Lavendon Group plc, 1 Midland Court, Central Park, Lutterworth, Leicestershire LE17 4PN.