

SEH (ASPHALT) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2001



PKF

SEH (ASPHALT) LIMITED

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SEH (ASPHALT) LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2001

The directors submit their report and the financial statements for the year ended 31 December 2001.

Results and dividends

The profit for the year, after taxation, amounted to **£62,045** (2000 - £162,401).

The directors recommend a dividend of £12,409 leaving a balance of £49,636 which is transferred to retained reserves.

Principal activity and review of business

The company's principal activity during the year was that of surfacing contractors.

The directors are satisfied with the results for the year and expect them to continue and in addition will pursue all opportunities to further the business as they become available.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

	Ordinary Shares of £1 each	
	2001	2000
G E Emmerson	-	-
C H R Hewitt	-	-
D Brown	6,250	6,250
D Bates	6,250	6,250

At the year end G E Emmerson owned **9,314** (2000: 9,314) £1 ordinary shares and **224,424** (2000: 224,424) £1 preference shares in the ultimate parent company SEH (Holdings) Limited.

In addition, G E Emmerson is a trustee of a discretionary trust which holds **9,388** (2000: 9,388) £1 ordinary shares in the ultimate parent company SEH (Holdings) Limited.

At the year end C H R Hewitt owned **168,318** (2000: 168,318) £1 preference shares in the ultimate parent company SEH (Holdings) Limited.

In addition, C H R Hewitt is a trustee of a discretionary trust which holds **56,106** (2000: 56,106) £1 preference shares and **18,702** (2000: 18,702) £1 ordinary shares in the ultimate parent company SEH (Holdings) Limited.

During the year, no right to subscribe for shares or debentures in the company was granted or exercised by any of the company's directors.

SEH (ASPHALT) LIMITED
DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2001

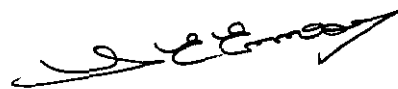
Charitable contributions

During the year the company made charitable donations totalling **£NIL** (2000: £200).

Auditors

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board



G E Emmerson
Director

11 April 2002

**AUDITORS' REPORT TO
SEH (ASPHALT) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4-16 together with the financial statements of the company for the year ended 31 December 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 4-16 are properly prepared in accordance with that provision.

Ipswich
11 April 2002


PKF
Registered Auditors

SEH (ASPHALT) LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
GROSS PROFIT		459,427	503,538
Administrative expenses		(383,682)	(267,929)
Other operating income		-	2,609
OPERATING PROFIT	2	75,745	238,218
Interest receivable and similar income	5	3,676	6,066
Interest payable and similar charges	6	(5,140)	(9,144)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		74,281	235,140
TAXATION	7	(12,236)	(72,739)
PROFIT FOR THE FINANCIAL YEAR		62,045	162,401
DIVIDENDS	8	(12,409)	(32,480)
		49,636	129,921

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

SEH (ASPHALT) LIMITED
BALANCE SHEET
31 DECEMBER 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible	9	248,921	271,539
CURRENT ASSETS			
Stocks	10	700	700
Debtors	11	1,331,756	1,511,503
Cash at bank and in hand		15	20
		<u>1,332,471</u>	<u>1,512,223</u>
CREDITORS: amounts falling due within one year	12	<u>(949,997)</u>	<u>(1,225,970)</u>
NET CURRENT ASSETS		<u>382,474</u>	<u>286,253</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>631,395</u>	<u>557,792</u>
CREDITORS: amounts falling due after more than one year	13	(26,667)	-
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(10,000)</u>	<u>(12,700)</u>
NET ASSETS		<u><u>594,728</u></u>	<u><u>545,092</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	62,500	62,500
Share premium account		4,227	4,227
Profit and loss account	17	528,001	478,365
SHAREHOLDERS' FUNDS	18	<u><u>594,728</u></u>	<u><u>545,092</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the board on 11 APRIL 02

Signed on behalf of the board of directors



G E Emmerson

Director

SEH (ASPHALT) LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2001

	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	75,745	238,218
Depreciation of tangible fixed assets	59,713	38,503
Loss on sale of fixed assets	3,278	1,832
Decrease/(increase) in debtors	208,343	(161,233)
(Decrease)/increase in creditors	(66,168)	71,987
Net cash inflow from operating activities	<u>280,911</u>	<u>189,307</u>
 CASH FLOW STATEMENT (note 19)		
Net cash inflow from operating activities	280,911	189,307
Returns on investments and servicing of finance	(1,464)	(3,078)
Taxation	(110,571)	(111,919)
Capital expenditure	(40,373)	(133,904)
Equity dividends paid	(12,409)	(32,480)
	<u>116,094</u>	<u>(92,074)</u>
Financing	<u>(32,483)</u>	<u>(32,288)</u>
Increase/(decrease) in cash	<u>83,611</u>	<u>(124,362)</u>
 Reconciliation of net cash flow to movement in net debt (note 20)		
Increase/(decrease) in cash in the year	83,611	(124,362)
Cash outflow from decrease in debt and lease financing	32,483	32,288
New finance lease	(80,000)	-
	<u>36,094</u>	<u>(92,074)</u>
Change in net debt	<u>(163,111)</u>	<u>(71,037)</u>
Net debt at 1 January 2001	<u>(163,111)</u>	<u>(71,037)</u>
Net debt at 31 December 2001	<u>(127,017)</u>	<u>(163,111)</u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2 % straight line
Plant & equipment	25 % reducing balance
Fixtures & fittings	20 % reducing balance
Motor vehicles	25 % reducing balance

(d) Finance leases and hire purchase

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Deferred taxation

Deferred tax is provided in respect of the tax effects of all timing differences on a full provision basis, at the average rates of tax expected to apply when timing differences reverse.

(g) Pensions

The company is a member of the group's defined contribution pension scheme providing benefits additional to those from the state. The pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

2 OPERATING PROFIT

The operating profit is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets:		
- owned by the company	37,914	35,549
- held under finance lease or hire purchase contracts	21,799	2,954
Audit fees	4,975	4,500
Pension cost	2,587	2,904
	<u> </u>	<u> </u>

3 DIRECTORS' EMOLUMENTS AND BENEFITS

	2001 £	2000 £
Directors' emoluments	104,356	127,496
	<u> </u>	<u> </u>

The number of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	2	2
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2001 £	2000 £
Wages and salaries	449,877	406,750
Social security costs	42,828	36,927
Other pension costs	2,587	2,904
	<u>495,292</u>	<u>446,581</u>
	<u> </u>	<u> </u>

The average monthly number of employees, including executive directors, during the year was:

	No	No
Management	2	2
Office	2	1
Direct Labour	13	12
	<u>17</u>	<u>15</u>
	<u> </u>	<u> </u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2001	2000
	£	£
Interest receivable from group companies	2,674	6,066
Other interest receivable	1,002	-
	<u>3,676</u>	<u>6,066</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Bank loans and overdrafts	1,255	4,857
Finance charges under finance lease and hire purchase contracts	3,885	4,287
	<u>5,140</u>	<u>9,144</u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

7 TAXATION

	2001 £	2000 £
UK corporation tax		
Current tax on income for the year	8,618	66,597
Adjustments in respect of prior periods	(2,556)	442
Group relief paid	8,874	-
Total UK taxation	<u>14,936</u>	<u>67,039</u>
Deferred tax		
Current tax on income for the year	<u>(2,700)</u>	<u>5,700</u>
	<u>12,236</u>	<u>72,739</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK - 30%.
The differences are explained below:

Factors affecting tax charge for the year

Profit on ordinary activities before tax	<u>74,281</u>	<u>235,140</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2000 - 30%)	22,284	70,542
Depreciation and other fixed asset movements charged in excess of capital allowances	3,312	(3,551)
Expenses not deductible for tax purposes	614	(394)
Marginal rate tax deducted	(4,282)	
Adjustments to tax charge in respect of previous periods	(2,556)	442
Group relief adjustments	(4,436)	-
Corporation tax charged	<u>14,936</u>	<u>67,039</u>

8 DIVIDENDS

	2001 £	2000 £
Ordinary shares		
Final proposed	<u>12,409</u>	<u>32,480</u>
of which:		
Dividends on equity shares	<u>12,409</u>	<u>32,480</u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

9 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Fixtures, fittings, tools & equipment £	Total £
Cost				
At 1 January 2001	51,717	362,705	6,819	421,241
Additions	-	51,873	-	51,873
Disposals	-	(38,459)	-	(38,459)
At 31 December 2001	<u>51,717</u>	<u>376,119</u>	<u>6,819</u>	<u>434,655</u>
Depreciation				
At 1 January 2001	2,069	145,389	2,244	149,702
Charge for year	776	58,022	915	59,713
On disposals	-	(23,681)	-	(23,681)
At 31 December 2001	<u>2,845</u>	<u>179,730</u>	<u>3,159</u>	<u>185,734</u>
Net book amount				
At 31 December 2001	<u>48,872</u>	<u>196,389</u>	<u>3,660</u>	<u>248,921</u>
At 31 December 2000	<u>49,648</u>	<u>217,316</u>	<u>4,575</u>	<u>271,539</u>

The net book amounts of assets held under finance lease or hire purchase contracts included above were:

	2001 £	2000 £
Plant & machinery	<u>65,397</u>	<u>8,862</u>

10 STOCKS

	2001 £	2000 £
Raw materials	<u>700</u>	<u>700</u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

11 DEBTORS

	2001 £	2000 £
Due within one year		
Trade debtors	710,644	938,925
Amounts due from group undertakings	47,913	97,626
Other debtors	4,566	31,852
Amounts receivable on long term contracts	540,037	443,100
Corporation tax recoverable	28,596	-
	<u>1,331,756</u>	<u>1,511,503</u>

12 CREDITORS

	2001 £	2000 £
Amounts falling due within one year		
Bank overdraft	73,698	157,314
Trade creditors	734,754	853,247
Amounts owed to group undertakings	73,787	51,599
Corporation tax	-	67,039
Other tax and social security	34,735	40,900
Net obligations under finance lease and hire purchase contracts(note 14)	26,667	5,817
Other creditors	81	42,854
Accruals and deferred income	6,275	7,200
	<u>949,997</u>	<u>1,225,970</u>

The bank overdraft is secured by a fixed and floating charge and cross guarantee with other group companies.

13 CREDITORS

	2001 £	2000 £
Amounts falling due after more than one year		
Net obligations under finance lease and hire purchase contracts(note 14)	<u>26,667</u>	<u>-</u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

14 FINANCE LEASES

Net obligations under finance lease and hire purchase agreements fall due as follows:

	2001	2000
	£	£
Within one year	26,667	5,817
Between one and five years	26,667	-
	<u>53,334</u>	<u>5,817</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2001	12,700
Utilised	(2,700)
At 31 December 2001	<u>10,000</u>

Deferred tax is analysed as follows:

	Provided		Not provided	
	2001	2000	2001	2000
	£	£	£	£
Capital allowances	<u>10,000</u>	<u>12,700</u>	<u>-</u>	<u>-</u>

16 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	£		No	£
At 1 January 2001 and 31 December 2001				
Ordinary shares of £1 each	<u>100,000</u>		<u>62,500</u>	<u>62,500</u>

17 RESERVES

	£
Profit and loss account	
At 1 January 2001	478,365
Profit for the year	62,045
Dividends	(12,409)
At 31 December 2001	<u>528,001</u>

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

18 SHAREHOLDERS' FUNDS

	2001 £	2000 £
Shareholders' funds at 1 January 2001	545,092	415,171
Profit for the year	62,045	162,401
Dividends	(12,409)	(32,480)
Shareholders' funds at 31 December 2001	<u>594,728</u>	<u>545,092</u>

19 GROSS CASH FLOWS

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	3,676	6,066
Interest paid	(1,255)	(4,857)
Interest element of finance lease rentals	(3,885)	(4,287)
	<u>(1,464)</u>	<u>(3,078)</u>
 Capital expenditure		
Payments to acquire tangible fixed assets	(51,873)	(138,305)
Receipts from sales of tangible fixed assets	11,500	4,401
	<u>(40,373)</u>	<u>(133,904)</u>
 Financing		
Capital element of finance lease rentals	<u>(32,483)</u>	<u>(32,288)</u>

20 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2001 £	Cash flows £	Other changes £	At 31 December 2001 £
Cash at bank and in hand	20	(5)	-	15
Overdrafts	(157,314)	83,616	-	(73,698)
		<u>83,611</u>		
Finance leases	(5,817)	32,483	(80,000)	(53,334)
Total	<u>(163,111)</u>	<u>116,094</u>	<u>(80,000)</u>	<u>(127,017)</u>

21 CONTINGENT LIABILITIES

There is a contingent liability of up to **£312,823** in respect of guarantees given by the company to its bankers for overdraft facilities granted to group undertakings.

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

22 TRANSACTIONS WITH RELATED PARTIES

During the year the following dividends were paid to directors:

	2001	2000
	£	£
D Brown	1,241	3,248
D Bates	1,241	3,248

The following transactions took place with fellow subsidiary companies during the year:

	Sales	Purchases
	£	£
SEH (Ipswich) Limited	190,737	90
SEH French Limited	2,841	
SEH Windows and Doors Limited	300	
Emmitt Plant Limited		94,742
SEH Developments Limited	3,745	

Management and financial charges of **£49,422** (2000: £41,451) were paid to SEH (Holdings) Limited, the company's parent undertaking. Management and financial charges of **£9,935** (2000: £11,651) were paid to SEH Ipswich Limited, a fellow subsidiary.

Within fixed assets, the company purchased various plant and equipment from Emmitt Plant Limited, a fellow subsidiary, at a market value of **£2,000**.

The following amounts, included within amounts due from and to group companies, were outstanding at 31 December 2001 in relation to the sales, purchases and management and financial charges.

	Debtor	Creditor
	£	£
SEH (Ipswich) Limited	12,000	4,545
SEH French Limited		14
SEH (Holdings) Limited	2,150	604
Emmitt Plant Limited		21,264

Included within other debtors are director's accounts with D Brown and D Bates, which at the year end were **£18** (2000: £3,225) and **£63** (2000: £3,248) respectively. During the year the maximum level at which the accounts went overdrawn were £10,823 and £10,777 respectively.

SEH (ASPHALT) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2001

23 PENSION COSTS

The company is a member of the group's defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is shown in note 4.

24 PARENT UNDERTAKINGS

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is SEH (Holdings) Limited. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ

In the opinion of the directors this is the company's ultimate parent company.