

**SEH (ASPHALT) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2002**

**PKF**



# SEH (ASPHALT) LIMITED

## CONTENTS

|                                     | Page   |
|-------------------------------------|--------|
| DIRECTORS' REPORT                   | 1      |
| REPORT OF THE AUDITORS              | 2      |
| ABBREVIATED PROFIT AND LOSS ACCOUNT | 3      |
| BALANCE SHEET                       | 4      |
| CASH FLOW STATEMENT                 | 5      |
| NOTES TO THE ABBREVIATED ACCOUNTS   | 6 - 15 |

**SEH (ASPHALT) LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2002**

The directors submit their report and the financial statements for the year ended 31 December 2002.

**Results and dividends**

The profit for the year, after taxation, amounted to **£256,900** (2001 - £62,045).

The directors recommend a dividend of £51,380 leaving a balance of £205,520 which is transferred to retained reserves.

**Principal activity and review of the 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:

|                                | <b>Ordinary Shares of £1 each</b> |             |
|--------------------------------|-----------------------------------|-------------|
|                                | <b>2002</b>                       | <b>2001</b> |
| G E Emmerson                   | -                                 | -           |
| C H R Hewitt                   | -                                 | -           |
| D Brown                        | <b>6,250</b>                      | 6,250       |
| D Bates                        | <b>3,125</b>                      | 6,250       |
| G A Day (appointed 1 May 2002) | -                                 | -           |

At the year end G E Emmerson owned **9,314** (2001: 9,314) £1 ordinary shares and **224,424** (2001: 224,424) £1 preference shares in the ultimate parent company SEH (Holdings) Limited.

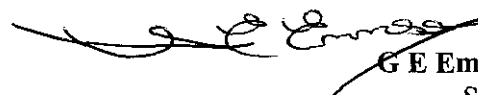
In addition, G E Emmerson is a trustee of a discretionary trust which holds **9,388** (2001: 9,388) £1 ordinary shares in the ultimate parent company SEH (Holdings) Limited.

At the year end C H R Hewitt owned **168,318** (2001: 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** (2001: 56,106) £1 preference shares and **18,702** (2001: 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.

By order of the board

  
**G E Emmerson**  
Secretary  
1 April 2003

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

We have examined the abbreviated accounts, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes, together with the financial statements of the company for the year ended 31 December 2002 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 of Companies and whether the accounts to be delivered 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 to be delivered 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 are properly prepared in accordance with that provision.

Ipswich, UK  
1 April 2003

  
**PKF**  
Registered Auditors

**SEH (ASPHALT) LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2002**

|                                                          | Notes    | 2002<br>£        | 2001<br>£       |
|----------------------------------------------------------|----------|------------------|-----------------|
| <b>GROSS PROFIT</b>                                      |          | <b>769,930</b>   | <b>459,427</b>  |
| Administrative expenses                                  |          | (386,156)        | (383,682)       |
| Other operating income                                   |          | 699              | -               |
| <b>OPERATING PROFIT</b>                                  | <b>2</b> | <b>384,473</b>   | <b>75,745</b>   |
| Interest receivable and similar income                   | <b>5</b> | <b>5,617</b>     | <b>3,676</b>    |
| Interest payable and similar charges                     | <b>6</b> | <b>(3,938)</b>   | <b>(5,140)</b>  |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |          | <b>386,152</b>   | <b>74,281</b>   |
| <b>TAXATION</b>                                          | <b>7</b> | <b>(129,252)</b> | <b>(12,236)</b> |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                     |          | <b>256,900</b>   | <b>62,045</b>   |
| <b>DIVIDENDS</b>                                         | <b>8</b> | <b>(51,380)</b>  | <b>(12,409)</b> |
|                                                          |          | <b>205,520</b>   | <b>49,636</b>   |

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 2002**

|                                                                | Notes | 2002<br>£             | 2001<br>£             |
|----------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>FIXED ASSETS</b>                                            |       |                       |                       |
| Tangible                                                       | 9     | 229,755               | 248,921               |
| <b>CURRENT ASSETS</b>                                          |       |                       |                       |
| Stocks                                                         | 10    | 700                   | 700                   |
| Debtors                                                        | 11    | 1,599,134             | 1,331,756             |
| Cash at bank and in hand                                       |       | 51,566                | 15                    |
|                                                                |       | <u>1,651,400</u>      | <u>1,332,471</u>      |
| <b>CREDITORS: amounts falling due within one year</b>          | 12    | <u>(1,060,207)</u>    | <u>(949,997)</u>      |
| <b>NET CURRENT ASSETS</b>                                      |       | <u>591,193</u>        | <u>382,474</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | <u>820,948</u>        | <u>631,395</u>        |
| <b>CREDITORS: amounts falling due after more than one year</b> | 13    | -                     | (26,667)              |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  | 15    | <u>(20,700)</u>       | <u>(10,000)</u>       |
| <b>NET ASSETS</b>                                              |       | <u><u>800,248</u></u> | <u><u>594,728</u></u> |
| <b>CAPITAL AND RESERVES</b>                                    |       |                       |                       |
| Called up share capital                                        | 16    | 62,500                | 62,500                |
| Share premium account                                          |       | 4,227                 | 4,227                 |
| Profit and loss account                                        | 17    | 733,521               | 528,001               |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 18    | <u><u>800,248</u></u> | <u><u>594,728</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 15 APRIL 2003

Signed on behalf of the board of directors



G E Emmerson

Director

**SEH (ASPHALT) LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2002**

|                                                                                        | 2002<br>£       | 2001<br>£        |
|----------------------------------------------------------------------------------------|-----------------|------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |                 |                  |
| Operating profit                                                                       | 384,473         | 75,745           |
| Depreciation of tangible fixed assets                                                  | 49,965          | 59,713           |
| Loss on sale of fixed assets                                                           | 7,902           | 3,278            |
| (Increase)/decrease in debtors                                                         | (295,559)       | 208,343          |
| Increase/(decrease) in creditors                                                       | 25,213          | (66,168)         |
| <b>Net cash inflow from operating activities</b>                                       | <u>171,994</u>  | <u>280,911</u>   |
| <br><b>CASH FLOW STATEMENT (note 19)</b>                                               |                 |                  |
| Net cash inflow from operating activities                                              | 171,994         | 280,911          |
| Returns on investments and servicing of finance                                        | 1,264           | (1,464)          |
| Taxation                                                                               | 29,768          | (110,571)        |
| Capital expenditure                                                                    | (38,701)        | (40,373)         |
| Equity dividends paid                                                                  | (12,409)        | (12,409)         |
|                                                                                        | <u>151,916</u>  | <u>116,094</u>   |
| <b>Financing</b>                                                                       | <u>(26,667)</u> | <u>(32,483)</u>  |
| <b>Increase in cash</b>                                                                | <u>125,249</u>  | <u>83,611</u>    |
| <br><b>Reconciliation of net cash flow to movement in net funds/(debt) (note 20)</b>   |                 |                  |
| Increase in cash in the year                                                           | 125,249         | 83,611           |
| Cash outflow from decrease in debt and lease financing                                 | 26,667          | 32,483           |
| New finance lease                                                                      | -               | (80,000)         |
| <b>Change in net funds/(debt)</b>                                                      | <u>151,916</u>  | <u>36,094</u>    |
| Net debt at 1 January 2002                                                             | (127,017)       | (163,111)        |
| <b>Net funds at 31 December 2002</b>                                                   | <u>24,899</u>   | <u>(127,017)</u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**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**

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**

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in the previous period. Provision is made for any losses which are foreseen. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account. Amounts included within work in progress represent costs incurred on contracts in their initial stages at the year end for which no application for payment has been made.

**(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 2002**

**2 OPERATING PROFIT**

The operating profit is stated after charging:

|                                                       | 2002<br>£         | 2001<br>£         |
|-------------------------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets:                |                   |                   |
| - owned by the company                                | 35,277            | 37,914            |
| - held under finance lease or hire purchase contracts | 14,688            | 21,799            |
| Audit fees                                            | 5,425             | 4,975             |
| Pension cost                                          | 3,729             | 2,587             |
|                                                       | <u>          </u> | <u>          </u> |

**3 DIRECTORS' EMOLUMENTS AND BENEFITS**

|                                                 | 2002<br>£         | 2001<br>£         |
|-------------------------------------------------|-------------------|-------------------|
| Directors' emoluments                           | 196,991           | 101,450           |
| Contributions to money purchase pension schemes | 2,897             | 2,907             |
|                                                 | <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:

|                       | 2002<br>£      | 2001<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 464,500        | 449,877        |
| Social security costs | 43,037         | 42,828         |
| Other pension costs   | 3,729          | 2,587          |
|                       | <u>511,266</u> | <u>495,292</u> |

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

|               | No        | No        |
|---------------|-----------|-----------|
| Management    | 2         | 2         |
| Office        | 2         | 2         |
| Direct Labour | 13        | 13        |
|               | <u>17</u> | <u>17</u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

|                                          | 2002                | 2001                |
|------------------------------------------|---------------------|---------------------|
|                                          | £                   | £                   |
| Interest receivable from group companies | 5,617               | 2,674               |
| Other interest receivable                | -                   | 1,002               |
|                                          | <u>5,617</u>        | <u>3,676</u>        |
|                                          | <u><u>5,617</u></u> | <u><u>3,676</u></u> |

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

|                                                                 | 2002                | 2001                |
|-----------------------------------------------------------------|---------------------|---------------------|
|                                                                 | £                   | £                   |
| Bank loans and overdrafts                                       | 1,034               | 1,255               |
| Finance charges under finance lease and hire purchase contracts | 2,904               | 3,885               |
|                                                                 | <u>3,938</u>        | <u>5,140</u>        |
|                                                                 | <u><u>3,938</u></u> | <u><u>5,140</u></u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**7 TAXATION**

| <b>(a) Analysis of charge in year</b>          | <b>2002</b>    | <b>2001</b>   |
|------------------------------------------------|----------------|---------------|
|                                                | <b>£</b>       | <b>£</b>      |
| <b>UK corporation tax</b>                      |                |               |
| Current tax on income for the year             | 119,724        | 8,618         |
| Adjustments in respect of prior periods        | (1,172)        | (2,555)       |
| Advance corporation tax written off            | -              | 8,873         |
|                                                | <u>118,552</u> | <u>14,936</u> |
| <b>Deferred tax</b>                            |                |               |
| Changes in deferred tax balances arising from: |                |               |
| Origination or reversal of timing differences  | 10,700         | (2,700)       |
|                                                | <u>129,252</u> | <u>12,236</u> |

**(b) Factors affecting the tax charge for the year**

The tax assessed for the year is greater than would be expected by multiplying profit on ordinary activities by the standard rate of corporation tax in the UK of 30%. The differences are explained below:

|                                                                                                     | <b>2002</b>    | <b>2001</b>   |
|-----------------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                                     | <b>£</b>       | <b>£</b>      |
| Profit on ordinary activities before tax                                                            | <u>386,152</u> | <u>74,281</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2001: 30%) | 115,846        | 22,284        |
| Effects of:                                                                                         |                |               |
| Depreciation and other fixed asset movements charged in excess of capital allowances                | 1,184          | 3,312         |
| Expenses not deductible for tax purposes                                                            | 2,694          | 614           |
| Marginal rate tax deducted                                                                          | -              | (4,282)       |
| Adjustments to tax charge in respect of previous periods                                            | (1,172)        | (2,556)       |
| Group relief adjustments                                                                            | -              | (4,436)       |
| Current tax charge for the year                                                                     | <u>118,552</u> | <u>14,936</u> |

**8 DIVIDENDS**

|                            | <b>2002</b>   | <b>2001</b>   |
|----------------------------|---------------|---------------|
|                            | <b>£</b>      | <b>£</b>      |
| <b>Ordinary shares</b>     |               |               |
| Final proposed             | <u>51,380</u> | <u>12,409</u> |
| of which:                  |               |               |
| Dividends on equity shares | <u>51,380</u> | <u>12,409</u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**9 TANGIBLE FIXED ASSETS**

|                        | Land &<br>buildings<br>£ | Plant &<br>machinery<br>£ | Fixtures,<br>fittings,<br>tools &<br>equipment<br>£ | Total<br>£     |
|------------------------|--------------------------|---------------------------|-----------------------------------------------------|----------------|
| <b>Cost</b>            |                          |                           |                                                     |                |
| At 1 January 2002      | 51,717                   | 376,119                   | 6,819                                               | 434,655        |
| Additions              | -                        | 48,955                    | 1,196                                               | 50,151         |
| Disposals              | -                        | (42,599)                  | -                                                   | (42,599)       |
| At 31 December 2002    | <u>51,717</u>            | <u>382,475</u>            | <u>8,015</u>                                        | <u>442,207</u> |
| <b>Depreciation</b>    |                          |                           |                                                     |                |
| At 1 January 2002      | 2,845                    | 179,730                   | 3,159                                               | 185,734        |
| Charge for year        | 776                      | 48,401                    | 788                                                 | 49,965         |
| On disposals           | -                        | (23,247)                  | -                                                   | (23,247)       |
| At 31 December 2002    | <u>3,621</u>             | <u>204,884</u>            | <u>3,947</u>                                        | <u>212,452</u> |
| <b>Net book amount</b> |                          |                           |                                                     |                |
| At 31 December 2002    | <u>48,096</u>            | <u>177,591</u>            | <u>4,068</u>                                        | <u>229,755</u> |
| At 31 December 2001    | <u>48,872</u>            | <u>196,389</u>            | <u>3,660</u>                                        | <u>248,921</u> |

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

|                   | 2002<br>£     | 2001<br>£     |
|-------------------|---------------|---------------|
| Plant & machinery | 44,063        | 65,397        |
|                   | <u>44,063</u> | <u>65,397</u> |

**10 STOCKS**

|               | 2002<br>£  | 2001<br>£  |
|---------------|------------|------------|
| Raw materials | <u>700</u> | <u>700</u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**11 DEBTORS**

|                                           | 2002<br>£        | 2001<br>£        |
|-------------------------------------------|------------------|------------------|
| <b>Due within one year</b>                |                  |                  |
| Trade debtors                             | 748,664          | 710,644          |
| Amounts due from group undertakings       | 358,614          | 47,913           |
| Other debtors                             | 20,290           | 4,566            |
| Corporation tax recoverable               | -                | 28,596           |
| Amounts receivable on long term contracts | 471,566          | 540,037          |
|                                           | <u>1,599,134</u> | <u>1,331,756</u> |

**12 CREDITORS**

|                                                                             | 2002<br>£        | 2001<br>£      |
|-----------------------------------------------------------------------------|------------------|----------------|
| <b>Amounts falling due within one year</b>                                  |                  |                |
| Bank overdraft                                                              | -                | 73,698         |
| Trade creditors                                                             | 745,730          | 734,754        |
| Amounts owed to group undertakings                                          | 69,693           | 73,787         |
| Corporation tax                                                             | 119,724          | -              |
| Other tax and social security                                               | 50,388           | 34,735         |
| Net obligations under finance lease and hire<br>purchase contracts(note 14) | 26,667           | 26,667         |
| Other creditors                                                             | 43,030           | 81             |
| Accruals and deferred income                                                | 4,975            | 6,275          |
|                                                                             | <u>1,060,207</u> | <u>949,997</u> |

**13 CREDITORS**

|                                                                             | 2002<br>£ | 2001<br>£     |
|-----------------------------------------------------------------------------|-----------|---------------|
| <b>Amounts falling due after more than one year</b>                         |           |               |
| Net obligations under finance lease and hire<br>purchase contracts(note 14) | <u>-</u>  | <u>26,667</u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**14 FINANCE LEASES**

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

|                            | 2002          | 2001          |
|----------------------------|---------------|---------------|
|                            | £             | £             |
| Within one year            | 26,667        | 26,667        |
| Between one and five years | -             | 26,667        |
|                            | <u>26,667</u> | <u>53,334</u> |

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

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

|                            | Deferred<br>taxation<br>£ |
|----------------------------|---------------------------|
| At 1 January 2002          | 10,000                    |
| Charged to profit and loss | 10,700                    |
| At 31 December 2002        | <u>20,700</u>             |

Deferred tax is analysed as follows:

|                    | 2002          | 2001          |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Capital allowances | <u>20,700</u> | <u>10,000</u> |

**16 SHARE CAPITAL**

|                                           | Authorised<br>£ | Allotted, called up and<br>fully paid<br>No | £             |
|-------------------------------------------|-----------------|---------------------------------------------|---------------|
| At 1 January 2002<br>and 31 December 2002 |                 |                                             |               |
| Ordinary shares of £1 each                | <u>100,000</u>  | <u>62,500</u>                               | <u>62,500</u> |

**17 RESERVES**

|                                | £              |
|--------------------------------|----------------|
| <b>Profit and loss account</b> |                |
| At 1 January 2002              | 528,001        |
| Profit for the year            | 256,900        |
| Dividends                      | (51,380)       |
| At 31 December 2002            | <u>733,521</u> |

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**18 SHAREHOLDERS' FUNDS**

|                                         | 2002<br>£      | 2001<br>£      |
|-----------------------------------------|----------------|----------------|
| Shareholders' funds at 1 January 2002   | 594,728        | 545,092        |
| Profit for the year                     | 256,900        | 62,045         |
| Dividends                               | (51,380)       | (12,409)       |
| Shareholders' funds at 31 December 2002 | <u>800,248</u> | <u>594,728</u> |

**19 GROSS CASH FLOWS**

|                                                        | 2002<br>£       | 2001<br>£       |
|--------------------------------------------------------|-----------------|-----------------|
| <b>Returns on investments and servicing of finance</b> |                 |                 |
| Interest received                                      | 5,202           | 3,676           |
| Interest paid                                          | (1,034)         | (1,255)         |
| Interest element of finance lease rentals              | (2,904)         | (3,885)         |
|                                                        | <u>1,264</u>    | <u>(1,464)</u>  |
| <b>Capital expenditure</b>                             |                 |                 |
| Payments to acquire tangible fixed assets              | (50,151)        | (51,873)        |
| Receipts from sales of tangible fixed assets           | 11,450          | 11,500          |
|                                                        | <u>(38,701)</u> | <u>(40,373)</u> |
| <b>Financing</b>                                       |                 |                 |
| Capital element of finance lease rentals               | <u>(26,667)</u> | <u>(32,483)</u> |

**20 ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

|                          | At 1 January<br>2002<br>£ | Cash<br>flows<br>£ | Other<br>changes<br>£ | At 31 December<br>2002<br>£ |
|--------------------------|---------------------------|--------------------|-----------------------|-----------------------------|
| Cash at bank and in hand | 15                        | 51,551             | -                     | 51,566                      |
| Overdrafts               | (73,698)                  | 73,698             | -                     | -                           |
|                          |                           | <u>125,249</u>     |                       |                             |
| Finance leases           | (53,334)                  | 26,667             | -                     | (26,667)                    |
| Total                    | <u>(127,017)</u>          | <u>151,916</u>     | <u>-</u>              | <u>24,899</u>               |

**21 CAPITAL COMMITMENTS**

At 31 December 2002 the company had entered into contracts for capital expenditure not provided for in these accounts amounting to approximately £23,967 (2001 - £NIL).

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**22 CONTINGENT LIABILITIES**

There is a contingent liability of up to £422,033 (2001: £312,823) in respect of guarantees given by the company to its bankers for overdraft facilities granted to group undertakings.

**23 TRANSACTIONS WITH RELATED PARTIES**

During the year the following dividends were paid to directors:

|         | 2002<br>£ | 2001<br>£ |
|---------|-----------|-----------|
| D Brown | 5,429     | 1,241     |
| D Bates | 2,714     | 1,241     |

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

|                                 | Sales     |           | Purchases |           |
|---------------------------------|-----------|-----------|-----------|-----------|
|                                 | 2002<br>£ | 2001<br>£ | 2002<br>£ | 2001<br>£ |
| S E H (Ipswich) Limited         | 347,744   | 190,737   | 742       | 90        |
| Emmitt Plant Limited            |           |           | 80,474    | 94,742    |
| S E H (Holdings) Limited        | 395       |           |           |           |
| S E H (Developments) Limited    |           | 3,745     |           |           |
| S E H French Limited            | 5,856     | 2,841     |           |           |
| S E H Windows and Doors Limited |           | 300       |           |           |

Management and financial charges of **£61,187** (2001: £49,422) were paid to S E H Holdings Limited, the company's parent undertaking. Management and financial charges of **£8,878** (2001: £9,935) were paid to S E H Ipswich Limited, a fellow subsidiary.

During the year the company paid consultancy fees of **£47,605** to D A B Associates Limited, a company of which D Bates is a director.

During the year the company sold plant and equipment to SEH (Ipswich) Limited, a fellow subsidiary, at a market value of **£6,950**.

The following amounts, included within amounts due from and to group companies, were outstanding at 31 December 2002 in relation to the sales, purchases and management and financial charges.

|                          | Debtors   |           | Creditors |           |
|--------------------------|-----------|-----------|-----------|-----------|
|                          | 2002<br>£ | 2001<br>£ | 2002<br>£ | 2001<br>£ |
| S E H (Ipswich) Limited  | 81,613    | 12,000    | 4,970     | 4,545     |
| Emmitt Plant Limited     |           |           | 13,862    | 21,264    |
| S E H (Holdings) Limited |           | 2,150     | 2,759     | 604       |
| S E H French Limited     |           |           | 1,854     | 14        |

Included within amounts due from group undertakings is **£250,000** (2001: £nil) held on deposit by S E H (Holdings) Limited.

**SEH (ASPHALT) LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2002**

**24 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 5.

**25 PARENT UNDERTAKINGS**

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

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