

REGISTERED NUMBER: 2894161 (England and Wales)

MARBANK CONSTRUCTION LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

MARBANK CONSTRUCTION LIMITED

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FOR THE YEAR ENDED 31 JULY 2007**

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MARBANK CONSTRUCTION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2007**

DIRECTORS:	Mr M J E Woods Mr M D Powell Mr S A Brown Mr G Wensley
SECRETARY:	Mr S A Brown
REGISTERED OFFICE:	Unit 3 Silver Court Watchmead Welwyn Garden City Hertfordshire AL7 1LT
REGISTERED NUMBER:	2894161 (England and Wales)
AUDITORS:	Rothman Pantall & Co Chartered Accountants & Registered Auditors 24 Park Road South Havant Hampshire PO9 1HB
BANKERS:	HSBC 33 Park Row Leeds West Yorkshire LS1 1LD
SOLICITORS:	W Davies & Son Acorn House 5 Chertsey Road Woking Surrey GU21 5AB

MARBANK CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2007

The directors present their report with the financial statements of the company for the year ended 31 July 2007.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of construction contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Business review and principal activities

Marbank Construction Ltd ("the company") is a design and build construction contractor. The company undertakes contracts around its base in the South East and nationally.

The results for the company show a pre-tax profit of £1.7 million (2006 £0.9 million) for the year on sales of £63.0 million (2006 £56.3 million).

The company has net funds of £3.5 million.

Research and Development

The directors believe that investing in the training and development of its staff and in improved information and communication technology are key to the continued development of the company, to retain the loyalty of our existing client base and to attract additional new clients.

Future outlook

The directors expect the commercial outlook to remain competitive in 2008, and are confident that the company's level of performance will be maintained in the future.

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to the cyclical nature of the construction industry, competition from national and regional contractors, credit risk and key employee retention.

To protect from these risks, and to secure the long term future of the company, the directors work: -

- To ensure that the company's cost base, operational structure and management systems enable it to retain its position as a competitive and competent player in the regional construction industry, whilst retaining a flexible cost base capable of coping with cyclical market conditions;
- To develop and implement appropriate credit risk control procedures and insurances;
- To ensure that remuneration structures are competitive, with good working conditions combined with the provision of appropriate training and personal development opportunities.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2007.

FUTURE DEVELOPMENTS

The directors consider the future prospects of the company to be satisfactory.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2006 to the date of this report.

Mr M J E Woods
Mr M D Powell
Mr S A Brown

MARBANK CONSTRUCTION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2007

DIRECTORS - continued

Other changes in directors holding office are as follows:

Mr G Wensley - appointed 7 February 2007

Mr S Jones - resigned 11 January 2007

Mrs D Wren - resigned 11 January 2007

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's current policy concerning the payment of trade creditors is:

- to settle the terms of payment with suppliers when agreeing the terms of each transaction;
- to ensure that suppliers are made aware of the terms of payment, and;
- to abide by the terms of payment;

On average, trade creditors at the year end represented 39 (2006 43) days' purchases.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and finance lease agreements. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available.

In respect of loans these comprise loans from financial institutions. The interest rates on the loans are variable, and flexibility is maintained in respect of repayments. The company manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The company is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed in the same way as the loans above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable Donations £4,000 (2006 £1,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, 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 financial statements;
- prepare the financial statements 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 financial statements 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.

MARBANK CONSTRUCTION LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2007**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Rothman Pantall & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Mr S A Brown - Secretary

1st February 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF MARBANK CONSTRUCTION LIMITED

We have audited the financial statements of Marbank Construction Limited for the year ended 31 July 2007 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Rothman Pantall & Co
Chartered Accountants & Registered Auditors
24 Park Road South
Havant
Hampshire
PO9 1HB

1st February 2008

MARBANK CONSTRUCTION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2007**

	Notes	31.7.07 £'000	£'000	31.7.06 £'000	£'000
TURNOVER			62,849		56,346
Cost of sales			<u>59,807</u>		<u>54,531</u>
GROSS PROFIT			3,042		1,815
Distribution costs		34		19	
Administrative expenses		<u>1,469</u>	<u>1,503</u>	<u>1,030</u>	<u>1,049</u>
OPERATING PROFIT	3		1,539		766
Interest receivable and similar income			<u>119</u>		<u>86</u>
			1,658		852
Interest payable and similar charges	4		<u>1</u>		<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,657		852
Tax on profit on ordinary activities	5		<u>532</u>		<u>252</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u>1,125</u>		<u>600</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

MARBANK CONSTRUCTION LIMITED**BALANCE SHEET
31 JULY 2007**

	Notes	31.7.07 £'000	£'000	31.7.06 £'000	£'000
FIXED ASSETS					
Tangible assets	7		42		96
CURRENT ASSETS					
Debtors	8	12,964		11,769	
Cash at bank and in hand		<u>3,469</u>		<u>2,799</u>	
		16,433		14,568	
CREDITORS					
Amounts falling due within one year	9	<u>12,821</u>		<u>12,311</u>	
NET CURRENT ASSETS			<u>3,612</u>		<u>2,257</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,654		2,353
CREDITORS					
Amounts falling due after more than one year	10		<u>177</u>		<u>1</u>
NET ASSETS			<u>3,477</u>		<u>2,352</u>
CAPITAL AND RESERVES					
Called up share capital	14		250		250
Profit and loss account	15		<u>3,227</u>		<u>2,102</u>
SHAREHOLDERS' FUNDS	21		<u>3,477</u>		<u>2,352</u>

The financial statements were approved by the Board of Directors on 31st January 2008 and were signed on its behalf by:

Mr M J E Woods - Director

Mr S A Brown - Director

The notes form part of these financial statements

MARBANK CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Financial Reporting Standard Number 1

The company has not prepared a cash flow statement on the basis that a group cash flow statement is presented in the consolidated accounts of the parent company, Boxtrent Limited.

Turnover

Turnover represents the value of goods and services supplied, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	- 100% in year of purchase
Fixtures and fittings	- 100% in year of purchase
Motor vehicles	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Hire purchase commitments

Assets purchased under hire purchase contracts are capitalised at their cost price. Interest payable under hire purchase commitments is charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Long term contracts

Amounts recoverable on contracts are included in debtors and are valued inclusive of profit, at work done less payment on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. Full provision is made for anticipated future losses. Where contract payments received exceed amounts recoverable the amounts are included within creditors.

2. STAFF COSTS

	31.7.07	31.7.06
	£'000	£'000
Wages and salaries	2,866	2,386
Social security costs	189	172
Other pension costs	<u>133</u>	<u>82</u>
	<u>3,188</u>	<u>2,640</u>

The average monthly number of employees during the year was as follows:

	31.7.07	31.7.06
Administrative	4	4
Production	<u>26</u>	<u>24</u>
	<u>30</u>	<u>28</u>

MARBANK CONSTRUCTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007****3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.7.07	31.7.06
	£'000	£'000
Hire of plant and machinery	1,501	1,069
Depreciation - owned assets	68	61
Loss on disposal of fixed assets	1	1
Auditors' remuneration	<u>19</u>	<u>15</u>

	31.7.07	31.7.06
	£'000	£'000
Directors' emoluments	359	298
Directors' pension contributions to money purchase schemes	<u>85</u>	<u>27</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	31.7.07	31.7.06
	£'000	£'000
Emoluments etc	130	148
Pension contributions to money purchase schemes	<u>16</u>	<u>16</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.07	31.7.06
	£'000	£'000
Other interest	<u>1</u>	<u>-</u>

5. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.7.07	31.7.06
	£'000	£'000
Current tax:		
UK corporation tax	543	252
Prior year (over)/under provision	<u>(3)</u>	<u>5</u>
Total current tax	540	257
Deferred tax	<u>(8)</u>	<u>(5)</u>
Tax on profit on ordinary activities	<u><u>532</u></u>	<u><u>252</u></u>

UK corporation tax has been charged at 30% (2006 - 30%).

MARBANK CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007**

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.7.07	31.7.06
	£'000	£'000
Profit on ordinary activities before tax	<u>1,657</u>	<u>852</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	497	256
Effects of:		
Expenses not deductible for tax purposes	37	9
Capital allowances in excess of depreciation	9	4
Marginal relief	-	(17)
Prior year (over)/ under provision	(3)	5
	<hr/>	<hr/>
Current tax charge	<u>540</u>	<u>257</u>

6. DIVIDENDS

	31.7.07	31.7.06
	£'000	£'000
Interim	<u>-</u>	<u>308</u>

7. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 August 2006	30	13	181	224
Additions	20	-	-	20
Disposals	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>(18)</u>
At 31 July 2007	<u>50</u>	<u>13</u>	<u>163</u>	<u>226</u>
DEPRECIATION				
At 1 August 2006	25	13	90	128
Charge for year	15	-	53	68
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>(12)</u>
At 31 July 2007	<u>40</u>	<u>13</u>	<u>131</u>	<u>184</u>
NET BOOK VALUE				
At 31 July 2007	<u><u>10</u></u>	<u><u>-</u></u>	<u><u>32</u></u>	<u><u>42</u></u>
At 31 July 2006	<u><u>5</u></u>	<u><u>-</u></u>	<u><u>91</u></u>	<u><u>96</u></u>

Included within the net book value of £42,000 is £nil (2006 £6,000) relating to assets held under hire purchase contracts and finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £5,000 (2006 £6,000).

MARBANK CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007**

8.	DEBTORS	31.7.07	31.7.06
		£'000	£'000
	Amounts falling due within one year:		
	Trade debtors	7,741	8,235
	Amounts recoverable on contracts	2,118	2,678
	Other debtors	9	17
	Amounts due from group undertakings	2,431	327
	Deferred tax asset	23	15
	Prepayments and accrued income	<u>-</u>	<u>219</u>
		<u>12,322</u>	<u>11,491</u>
	Amounts falling due after more than one year:		
	Trade debtors	<u>642</u>	<u>278</u>
	Aggregate amounts	<u>12,964</u>	<u>11,769</u>
9.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.7.07	31.7.06
		£'000	£'000
	Bank loans and overdrafts (see note 11)	43	-
	Hire purchase contracts (see note 12)	1	3
	Trade creditors	6,239	6,920
	Corporation tax	543	252
	Social security and other taxes	84	80
	VAT	460	228
	Other creditors	31	18
	Accruals and deferred income	<u>5,420</u>	<u>4,810</u>
		<u>12,821</u>	<u>12,311</u>
10.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31.7.07	31.7.06
		£'000	£'000
	Bank loans (see note 11)	177	-
	Hire purchase contracts (see note 12)	<u>-</u>	<u>1</u>
		<u>177</u>	<u>1</u>
11.	LOANS		
	An analysis of the maturity of loans is given below:		
		31.7.07	31.7.06
		£'000	£'000
	Amounts falling due within one year or on demand:		
	Bank loans	<u>43</u>	<u>-</u>

MARBANK CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007**

11. LOANS - continued

	31.7.07	31.7.06
	£'000	£'000
Amounts falling due between one and two years:		
Bank loans	<u>47</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>130</u>	<u>-</u>

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	31.7.07	31.7.06
	£'000	£'000
Net obligations repayable:		
Within one year	1	3
Between one and five years	<u>-</u>	<u>1</u>
	<u>1</u>	<u>4</u>

The following operating lease payments are committed to be paid within one year:

	31.7.07	31.7.06
	£'000	£'000
Expiring:		
Within one year	-	28
In more than five years	<u>63</u>	<u>-</u>
	<u>63</u>	<u>28</u>

MARBANK CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007**

13. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.07	31.7.06
	£'000	£'000
Bank loans	220	-
Hire purchase contracts	<u>1</u>	<u>4</u>
	<u>221</u>	<u>4</u>

The bank loan is secured by HSBC Bank PLC by debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 10th January 2007.

Interest is being charged on the above loan at 2% per annum above the bank's sterling base rate. This rate may be renegotiated under the renegotiation provisions set out in the general terms and conditions of the loan following the fifth anniversary of the date of the drawdown of the loan.

Obligations under hire purchase agreements are secured upon the assets to which they relate.

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.07	31.7.06
			£'000	£'000
250,000	Ordinary	£1	<u>250</u>	<u>250</u>

15. RESERVES

	Profit and loss account
	£'000
At 1 August 2006	2,102
Profit for the year	<u>1,125</u>
At 31 July 2007	<u>3,227</u>

16. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the benefit of the directors and employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid to the scheme during the year amounted to £133,000. At the year end the company had prepaid pension contributions of £5,000 (2006 outstanding £1,000).

17. ULTIMATE PARENT COMPANY

The ultimate parent company is Boxtrent Limited.

Copies of the financial statements of Boxtrent Limited are available from the registered office at Unit 3, Silver Court, Watchmead, Welwyn Garden City, Hertfordshire, AL7 1LT.

MARBANK CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007**

18. CONTINGENT LIABILITIES

The company has given performance bonds in the ordinary course of trade. The total of these bonds outstanding in respect of these guarantees at 31st July 2007 was £3,588,000 (2006 £1,733,000). The directors do not anticipate there being any call on these bonds.

There is a group unlimited multilateral guarantee dated 8th January 2007 in favour of the bank in respect of group loans totalling £2,229,103.

19. RELATED PARTY DISCLOSURES

Related party transactions with parent and fellow subsidiary undertakings have not been disclosed in accordance with the exemption conferred by Financial Reporting Standard Number 8.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr M Woods, managing director of the company.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.7.07	31.7.06
	£'000	£'000
Profit for the financial year	1,125	600
Dividends	<u>-</u>	<u>(308)</u>
Net addition to shareholders' funds	1,125	292
Opening shareholders' funds	<u>2,352</u>	<u>2,060</u>
Closing shareholders' funds	<u>3,477</u>	<u>2,352</u>

