

Rock Fall Company Limited

**Directors' report and financial
statements**

Registered number 128025

Period ended 30 December 2007

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of Rock Fall Company Limited	3
Profit and loss account	5
Balance sheet	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the 52 week period ended 30 December 2007

Principal activities

The principal activity of the company during the period was that of drilling contractors and explosive engineers

Business review

The results of the company for the period are set out in the profit and loss account on page 5. The directors consider the results for the period to be satisfactory. The profit on ordinary activities after taxation of £756,000 (*52 week period ended 31 December 2006 £971,000*) has been transferred to reserves. The directors do not recommend the payment of a dividend (*52 week period ended 31 December 2006 £Nil*).

Directors

The directors who served during the period and to the date of this report were as follows

G Steel
FA Verhoeven
TP Greenall (resigned 21 April 2008)
RV Richards (appointed 21 April 2008)

No notifications have been received by the company under Section 324 of the Companies Act 1985

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 15 August 08 and signed on its behalf by

RV Richards
Director



Westminster House
Crompton Way
Fareham
Hampshire
PO15 5SS

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Dukes Keep
Marsh Lane
Southampton
SO14 3EX
United Kingdom

Independent auditors' report to the members of Rock Fall Company Limited

We have audited the financial statements of Rock Fall Company Limited for the year ended 30 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditor's 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 other transactions is not disclosed.

We read the Directors' Report 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 judgments 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.

Independent auditors' report to the members of Rock Fall Company Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 December 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 Directors' Report is consistent with the financial statements

KPMG LLP .

KPMG LLP
Chartered Accountants
Registered Auditor

29th August 2008 .

Profit and loss account

for the 52 week period ended 30 December 2007

	<i>Note</i>	52 week period ended 30 December 2007 £000	52 week period ended 31 December 2006 £000
Turnover	2	2,792	4,864
Cost of sales		(2,131)	(3,007)
Gross profit		661	1,857
Administrative expenses		(492)	(464)
Profit on ordinary activities before taxation	3-5	169	1,393
Tax on profit on ordinary activities	6	587	(422)
Profit on ordinary activities after taxation and for the financial period		756	971

The results in both the current and previous periods relate to continuing operations

There are no recognised gains other than the profit for the period reported above. There is also no difference between the profit on ordinary activities before taxation or the retained profit for the period and their historical cost equivalents.

A statement of movement on reserves is given in note 13.

Balance sheet
at 30 December 2007

	<i>Note</i>	30 December 2007	31 December 2006
		£000	£000
Fixed assets			
Tangible assets	7	436	407
Current assets			
Stocks	8	259	88
Debtors	9	5,773	5,841
Cash at bank and in hand		319	139
		<u>6,351</u>	<u>6,068</u>
Creditors amounts falling due within one year	10	<u>(441)</u>	<u>(885)</u>
Net current assets		<u>5,910</u>	<u>5,183</u>
Total assets less current liabilities		<u>6,346</u>	<u>5,590</u>
Net assets		<u>6,346</u>	<u>5,590</u>
Capital and reserves			
Called up share capital	12	42	42
Profit and loss account	13	6,304	5,548
Equity shareholders' funds	14	<u>6,346</u>	<u>5,590</u>

These financial statements were approved by the board of directors on *15 August 08* and were signed on its behalf by

RV Richards
Director

R. V. Richards

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. The financial statements have been prepared on a going concern basis.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Royal Boskalis Westminster N V, the company has taken advantage of the exemption contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Royal Boskalis Westminster N V, within which this company is included, may be obtained from Rosmolenweg 20, PO Box 43, 3350 AA Papendrecht, Netherlands.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual values of tangible fixed assets by equal instalments over their useful economic lives as follow:

Plant, fixtures and fittings are depreciated on a straight line basis at rates ranging from 20% to 25% per annum depending on the type of asset and in accordance with the accounting policies of the ultimate holding company.

Floating and other construction equipment	-	20 - 25 %
Fixtures, fittings, tools and equipment	-	25 %

Assets under construction are not depreciated, and are transferred to the asset account when the asset is completed or delivered or when all or part of the asset is put into use, whichever is the earlier.

Stocks

Stocks are valued at the lower of cost and net realisable value - cost represents cost of raw materials.

Work in progress

Profit and turnover are included in respect of contracts in progress on the basis of a commercial valuation of work done. Work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover in excess of payments on account.

Notes (continued)

1 Accounting policies (continued)

Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction (or if hedged forward, at the rate of exchange under the related forward currency contract) Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Contract claims

No credit is taken in respect of claims arising out of a contract until agreement has been substantially reached

Pensions

Boskalis Westminster Limited, of which Rock Fall Company Limited is a subsidiary, operates a defined benefit pension scheme covering all of the UK Group's salaried employees (the UK Group comprises Boskalis Westminster Limited and its subsidiary undertakings, and the UK branch of Westminster Dredging Company Limited) The scheme's funds are administered by a Trustee and are independent of the Group's finances Since the company is unable to identify its share of the UK Group's scheme net assets on a consistent and reliable basis, as permitted by FRS 17 'Retirement benefits' the scheme is accounted for by the company as if it were a defined contribution scheme Contributions are charged to the profit and loss account of Boskalis Westminster Limited or the relevant employer within the UK Group so as to spread the cost of pensions over the employees' working lives with the appropriate UK Group company

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company Turnover represents the total amount receivable from customers, excluding value added tax, for work done and plant hires plus the pro rata amount of any work done in joint ventures with other parties and can be analysed by location of project as follows

	52 week period ended 30 December 2007 £000	52 week period ended 31 December 2006 £000
United Kingdom	166	-
Europe	2,192	1,876
North America	17	1,880
South America	-	361
Asia & Africa	417	747
	<hr/>	<hr/>
	2,792	4,864
	<hr/>	<hr/>

Notes (continued)

3 Notes to the profit and loss account

	52 week period ended 30 December 2007 £000	52 week period ended 31 December 2006 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation and other amounts written off tangible fixed assets	152	178
Profit on sale of assets	-	(3)
Operating leases – land and buildings	29	29
Plant hire	-	40
Exchange loss	11	8
	<hr/>	<hr/>
<i>Auditors' remuneration</i>		
Audit	7	8
	<hr/>	<hr/>

4 Remuneration of directors

	52 week period ended 30 December 2007 £000	52 week period ended 31 December 2006 £000
Directors' emoluments	70	66
	<hr/>	<hr/>

Retirement benefits are accruing to the following number of directors under

	Number of directors 52 week period ended 30 December 2007	52 week period ended 31 December 2006
Defined benefit schemes	1	1
	<hr/>	<hr/>

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

	Number of employees	
	52 week period ended	52 week period ended
	30 December	31 December
	2007	2006
Management and administration	2	2
Site and technical	14	15
	<hr/>	<hr/>
	16	17
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	52 week period ended	52 week period ended
	30 December	31 December
	2007	2006
	£000	£000
Wages and salaries	556	660
Social security costs	48	61
Pension costs	109	96
	<hr/>	<hr/>
	713	817
	<hr/>	<hr/>

Notes (continued)

6 Taxation

Analysis of credit in period

	52 week period ended 30 December 2007 £000	52 week period ended 31 December 2006 £000
<i>UK Corporation tax</i>		
Total current tax	46	422
Adjustments in respect of prior periods	(633)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(587)	422
	<hr/>	<hr/>

Factors affecting the tax credit for the current period

The current tax credit for the period is lower (52 week period ended 31 December 2006 higher) than the standard rate of corporation tax in the UK of 30% (52 week period ended 31 December 2006 30%) The differences are explained below

	52 week period ended 30 December 2007 £000	52 week period ended 31 December 2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	169	1,393
	<hr/>	<hr/>
Current tax at 30% (52 week period ended 31 December 2006 30%)	51	418
	<hr/>	<hr/>
<i>Effects of</i>		
Adjustments in respect of prior periods	(633)	-
Capital allowances for period (in excess of) / lower than depreciation	(5)	4
	<hr/>	<hr/>
Total current tax (credit) / charge	(587)	422
	<hr/>	<hr/>

The unrecognised deferred tax asset is set out in note 11

Notes (continued)

7 Tangible fixed assets

	Floating and Construction Equipment £000	Fixtures, fittings, tools and equipment £000	Assets under construction £000	Total £000
Cost				
At 31 December 2006	2,142	122	-	2,264
Additions	-	-	181	181
Disposals	-	-	-	-
Transfers	142	-	(142)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2007	2,284	122	39	2,445
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 December 2006	1,763	94	-	1,857
Charge for period	143	9	-	152
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2007	1,906	103	-	2,009
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 December 2007	378	19	39	436
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	379	28	-	407
	<hr/>	<hr/>	<hr/>	<hr/>

8 Stocks

	30 December 2007 £000	31 December 2006 £000
Raw materials and consumables	91	64
Work in progress	168	24
	<hr/>	<hr/>
	259	88
	<hr/>	<hr/>

9 Debtors

	30 December 2007 £000	31 December 2006 £000
Trade debtors	846	766
Amounts owed by group undertakings	4,856	5,063
Taxation and social security	38	-
Corporation tax receivable	21	-
Prepayments and accrued income	12	12
	<hr/>	<hr/>
	5,773	5,841
	<hr/>	<hr/>

Notes (continued)

10 Creditors, amounts falling due within one year

	30 December 2007 £000	31 December 2006 £000
Trade creditors	204	5
Corporation tax payable	-	566
Accruals and deferred income	237	314
	<u>441</u>	<u>885</u>

11 Deferred Tax

At 30 December 2007 the company had a deferred tax asset of £19,000 (31 December 2006 £26,000) relating to timing differences between accumulated depreciation and capital allowances. The net deferred tax asset in both periods has not been recognised due to doubt over timing of the eventual crystallisation.

The announcement of a change in tax rate from 30% to 28%, effective from 1 April 2008, has impacted the deferred tax balances set out above. This change is a non adjusting event regarding current tax.

12 Called up share capital

	30 December 2007 £000	31 December 2006 £000
<i>Authorised</i> 5,000 Ordinary shares of £10 each	50	50
<i>Allotted, called up and fully paid</i> 4,223 Ordinary shares of £10 each	<u>42</u>	<u>42</u>

13 Reserves

	Profit and loss £000
At 31 December 2006	5,548
Retained profit for the period	756
At 30 December 2007	<u>6,304</u>

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	30 December 2007 £000	31 December 2006 £000
Profit for the financial period	756	971
Opening shareholders' funds	5,590	4,619
Closing shareholders' funds	<u>6,346</u>	<u>5,590</u>

15 Contingent liabilities

The company is party to an unlimited bank cross guarantee with its UK holding company and fellow subsidiaries. At 30 December 2007 the net borrowings by these companies under this arrangement amounted to £Nil (31 December 2006 £Nil).

16 Commitments

Annual commitments under non-cancellable operating leases are as follows

	30 December 2007 Land and Buildings £000	31 December 2006 Land and Buildings £000
Operating leases which expire Over five years	<u>28</u>	<u>28</u>

17 Pension scheme

As explained in the accounting policies on page 8, Boskalis Westminster Limited operates a defined benefit pension scheme covering all of the UK Group's salaried employees. Contributions are determined by a qualified actuary and the most recent valuation was at 1 September 2006. Full details of the scheme are disclosed in the financial statements of Boskalis Westminster Limited. Since the company is unable to identify its share of the UK Group's scheme net assets on a consistent and reliable basis, as permitted by FRS 17 'Retirement benefits' the scheme is accounted for by the company as if it was a defined contribution scheme.

The pension charge in the profit and loss account of Rock Fall Company Limited for the period was £109,000 (31 December 2006 £96,000).

18 Holding and ultimate holding company

The immediate holding company is Boskalis Westminster Limited, registered in England, and the ultimate holding company is Royal Boskalis Westminster N V, which is incorporated in the Netherlands.

The results of Rock Fall Company Limited are consolidated by Royal Boskalis Westminster N V and copies of these accounts may be obtained from Rosmolenweg 20, PO Box 43, 3350 AA Papendrecht, Netherlands.