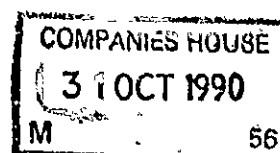


. Co No 196260

WESTPILE LIMITED

31st December 1989



REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1989.

ACTIVITIES

The company is engaged in the business of piling and foundation engineering and contracting.

REVIEW OF THE BUSINESS

Whilst the volume of business declined markedly in 1989, particularly due to the fall in the housing and commercial sectors, the company carried out a number of favourable contracts which increased the gross margin and contributed to a substantial improvement in net profit.

RESULTS

The results of the company are as set out in the accounts on pages 4 to 14. The directors recommend a dividend of £1,219,000 (1988 - £560,000).

DIRECTORS

The following have served as directors during the year:

N.G. Johnston
P.H. Derbyshire
B.P. Harrington
J.P. McIntyre
D.E. Mills

Mr P.H. Derbyshire retires by rotation at the next Annual General Meeting and, being eligible, offers himself for re-election.

None of the directors has any beneficial interest in the shares of the company. Directors' interests in the capital of the ultimate holding company are as stated below:

	<u>Shares of 25p each</u>			
	<u>31st December 1989</u>		<u>1st January 1989</u>	
	Shares	Options	Shares	Options
P.H. Derbyshire	-	8,000	-	8,000
B.P. Harrington	-	12,000	-	12,000
J.P. McIntyre	-	8,000	-	8,000
D.E. Mills	-	8,000	-	8,000

Mr N.G. Johnston is also a director of the ultimate holding company and his interest in the shares of the ultimate holding company are disclosed in the accounts of that company.

REPORT OF THE DIRECTORS (continued)

EMPLOYEE INVOLVEMENT

Within the bounds of commercial confidentiality management disseminates information to all levels of staff about matters that affect the progress of the company and are of interest and concern to them as employees.

A newsletter is also distributed at regular intervals to all employees which includes articles about the company's activities and its performance.

DISABLED PERSONS

The company has an established policy that disabled persons, especially should they become disabled in the course of their employment with the company, are employed where circumstances permit. The company endeavours to ensure that disabled employees benefit from training and career development programmes in common with other employees.

AUDITORS

Spicer & Oppenheim are willing to be reappointed as auditors in accordance with Section 384 of the Companies Act 1985. Resolutions will be proposed at the forthcoming Annual General Meeting to reappoint them and to authorise the directors to fix their remuneration.

Dolphin Bridge House
Rockingham Road
Uxbridge
Middlesex
UB8 2UB



By order of the board
D.E. Mills
Secretary

3rd April 1990

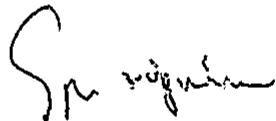
AUDITORS' REPORT TO THE MEMBERS OF WESTPILE LIMITED

We have audited the financial statements on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1989 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Friary Court
65 Crutched Friars
London
EC3N 2NP

3rd April 1990

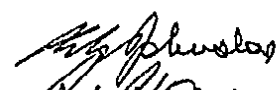
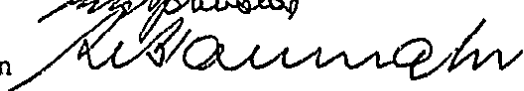

SPICER & OPPENHEIM
Chartered Accountants

PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1989

	Note	1989	1988
TURNOVER	1(b), 2	25,857,250	32,761,568
Cost of sales		(18,830,177)	(26,788,203)
GROSS PROFIT		7,027,073	5,973,365
Administrative expenses		(3,586,678)	(3,478,626)
OPERATING PROFIT	3	3,440,395	2,494,739
Interest receivable	6	764,307	219,072
Interest payable	7	(6,632)	(5,836)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,198,070	2,707,975
Tax on profit on ordinary activities	8	(1,149,875)	(1,509,848)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,048,195	1,198,127
Extraordinary item	9	(181,128) 2,867,067	- 1,198,127
Dividend	10	(1,219,000)	(560,000)
RETAINED PROFIT FOR THE YEAR	18	£1,648,067 =====	£638,127 =====

The attached notes on pages 7 to 14 form an integral part of these accounts

BALANCE SHEET
31st December 1989

	Note	1989	1988
FIXED ASSETS			
Tangible assets	11	1,545,356	1,391,985
CURRENT ASSETS			
Stocks and work in progress	12	1,118,673	1,144,180
Debtors	13	9,617,333	10,399,591
Cash at bank and in hand		<u>91,508</u>	<u>84,247</u>
		10,827,514	11,628,018
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade creditors		3,641,063	4,071,080
Sundry creditors	14	<u>3,560,849</u>	<u>4,680,115</u>
		<u>7,201,912</u>	<u>8,751,195</u>
NET CURRENT ASSETS		<u>3,625,602</u>	<u>2,876,823</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,170,958	4,268,803
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	15	(29,008)	(21,192)
PROVISIONS FOR LIABILITIES AND CHARGES			
	16	(1,388,000)	(2,141,733)
		£3,753,950	£2,105,883
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	17	1,000,000	1,000,000
RESERVES			
Profit and loss account	18	2,753,950	1,105,883
APPROVED BY THE BOARD OF DIRECTORS			
N.G. Johnston			
B.P. Harrington			
3rd April 1990			
		<u>£3,753,950</u>	<u>£2,105,883</u>
		=====	=====

The attached notes on pages 7 to 14 form an integral part of these accounts

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31st December 1989

	1989	1988
SOURCE OF FUNDS		
Profit before taxation	4,198,070	2,707,975
Extraordinary Items - Gross	(209,937)	-
Depreciation	430,097	411,682
Disposal of Fixed Assets		
Gross proceeds	153,922	61,711
Less (profit) on disposal	(135,184)	(36,120)
	<u>18,738</u>	<u>25,591</u>
TOTAL GENERATED FROM OPERATIONS	4,436,968	3,145,248
APPLICATION OF FUNDS		
Dividend paid	560,000	521,000
Tax paid	1,763,088	47,970
Purchase of fixed assets	<u>602,206</u>	<u>414,313</u>
	<u>2,925,294</u>	<u>983,283</u>
INCREASE IN WORKING CAPITAL	£1,511,674 =====	£2,161,965 =====
Represented/(funded) by:		
(Decrease)/increase in stocks and work in progress	(25,507)	5,075
(Decrease)/increase in debtors	(595,591)	4,506,771
Decrease/(increase) in creditors and provisions	2,125,511	(2,505,988)
Increase in cash balances	<u>7,261</u>	<u>156,107</u>
	£1,511,674 =====	£2,161,965 =====

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for the year ended 31st December 1989

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Decrease/(increase) in creditors and provisions	2,125,511	(2,505,988)
Increase in cash balances	<u>7,261</u>	<u>156,107</u>
	<u>£1,511,674</u>	<u>£2,161,965</u>
	=====	=====

NOTES TO THE ACCOUNTS
31st December 1989

1. ACCOUNTING POLICIES

a) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

b) TURNOVER

This represents sales and the difference between contracts in progress at the beginning and end of the year.

c) DEFERRED TAXATION

Provision is made at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes, unless the taxation liabilities are expected to be deferred for some considerable period.

d) TANGIBLE FIXED ASSETS AND DEPRECIATION

No depreciation is provided on freehold land.

All other fixed assets are shown at cost and are depreciated over the anticipated life of the assets on a straight line basis at varying annual rates as follows:

Buildings on freehold land	2%
Plant and machinery	10% - 33 1/3%
Furniture and equipment	10%
Motor vehicles	25%
Consumables	100%

WESTPILE LIMITED

NOTES TO THE ACCOUNTS (continued)
31st December 1989

1. ACCOUNTING POLICIES (continued)

e) STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost or net realisable value. Cost includes direct materials and, where relevant, labour and an appropriate allocation of production overhead expenses.

Contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is included when the outcome of a contract can be assessed with reasonable certainty. The value of contract work in progress is accounted for within turnover and in accordance with Statement of Standard Accounting Practice 9 (Revised) - Stocks and Long-term Contracts (SSAP 9) the excess of the book value over payments receivable is included in debtors as "Amounts recoverable on contracts". This represents a change in accounting policy and the corresponding amounts for the previous year have been restated. Payments receivable in excess of book value on an individual contract basis are included in creditors.

f) FOREIGN CURRENCY

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

All other exchange differences are dealt with through the profit and loss account.

g) LEASED ASSETS

Rental charges for assets leased under operating leases are charged to profit and loss account as incurred.

Assets leased under financial leases are capitalised as leased fixed assets and the rental obligation recognised as a liability in the accounts. The capitalised leased assets are depreciated on the same bases as similar classes of owned fixed assets. The interest portion of the rental payments is charged to the profit and loss account.

NOTES TO THE ACCOUNTS (continued)
31st December 1989

h) PENSION FUND

The company participates in Tilbury Group Plc Pension Schemes, which schemes cover all employees who are members of the staff who have elected to join. Actuarial valuations are carried out every three years. As from 1st January 1989, the company has adopted Statement of Standard Accounting Practice 24 - Accounting for Pension Costs. The surplus in the Tilbury Group Pension Schemes, after off-setting regular pension costs and allowing for accruing interest, will be released to the profit and loss account of Tilbury Group Plc over the average remaining service life of employees. No charge will be made to the profit and loss account of the company until the surplus has been extinguished.

2. ANALYSIS OF TURNOVER

1989

1988

The turnover attributable to each of the company's geographical markets is:

United Kingdom	25,645,040	32,739,368
Other	<u>212,210</u>	<u>22,200</u>
	<u>£25,857,250</u>	<u>£32,761,568</u>

3. OPERATING PROFIT

Operating profit is arrived at after charging:

Depreciation	£430,097	£411,682
Hire of plant and machinery	£1,483,305	£1,713,583
Auditors' remuneration	£27,040	£27,000
Operating lease rental	£254,807	£ -
	<u>=====</u>	<u>=====</u>

4. EMPLOYEES

The average number employed by the company (including directors) within each category of persons was:

	<u>Number</u>	<u>Number</u>
Production and construction employees	356	415
Sales staff	7	7
Administration staff	<u>63</u>	<u>60</u>
	<u>426</u>	<u>482</u>
	<u>===</u>	<u>===</u>

The costs incurred in respect of these employees were:

Wages and salaries	6,041,524	6,688,947
Social security costs	615,862	702,340
Pension costs	<u>-</u>	<u>-</u>
	<u>£6,657,386</u>	<u>£7,391,287</u>
	<u>=====</u>	<u>=====</u>

NOTES TO THE ACCOUNTS (continued)
31st December 1989

4. EMPLOYEES (continued)

As stated in the Note above, there is no pension credit or cost for the year. Particulars of the pension schemes, including the latest actuarial assessment, are given in the financial statements of Tilbury Group Plc.

	1989	1988
	<u>Number</u>	<u>Number</u>
Emoluments of employees other than directors earning more than £30,000 were as follows:		
£30,001 - £35,000	3	-
	==	==

5. DIRECTORS

Emoluments of directors of the company included in staff costs were as follows:

Management remuneration	£273,003	£193,168
	=====	=====

The emoluments of directors were as follows:

Chairman	£ nil	£ nil
Highest paid director	£80,465	£56,842
	=====	=====

	<u>Number</u>	<u>Number</u>
Other directors		
£40,001 - £45,000	-	1
£45,001 - £50,000	-	2
£60,001 - £65,000	3	-
	==	==

6. INTEREST RECEIVABLE

Group interest receivable	£764,307	£219,072
	=====	=====

7. INTEREST PAYABLE

Finance lease interest	5,836	5,836
Other Interest	796	-
	=====	=====
	£6,632	£5,836
	=====	=====

NOTES TO THE ACCOUNTS (continued)
31st December 1989

	1989	1988
8. TAXATION		
Taxation is based on the profit for the year and comprises:		
Corporation tax at 35%	1,307,283	1,550,000
Deferred taxation	<u>-</u>	<u>(38,858)</u>
	1,307,283	1,511,142
Prior year adjustments:		
Corporation tax	<u>(157,408)</u>	<u>(1,294)</u>
	<u>£1,149,875</u>	<u>£1,509,848</u>
	=====	=====
9. EXTRAORDINARY ITEM		
Share of defence costs relating to bid by Lilley Plc for Tilbury Group Plc less tax recoverable of £28,809.	£181,128	£ -
	=====	=====
10. DIVIDEND		
On 1,000,000 ordinary shares of £1 each	£1,219,000	£560,000
	=====	=====

NOTES TO THE ACCOUNTS (continued)
31st December 1989

11. TANGIBLE ASSETS

	Freehold Land and Buildings	Short term Leasehold Land and Buildings	Contract- ors' Plant	Motor Vehicles	Furniture and Equip ment	TOTAL
COST						
1 January 1989	455,530	89,867	4,283,833	512,211	633,107	5,974,548
Additions	8,376	-	540,398	29,860	23,572	602,206
Disposals	-	-	(224,810)	(82,398)	(52,810)	(360,018)
31 December 1989	463,906	89,867	4,599,421	459,673	603,869	6,216,736
DEPRECIATION						
1 January 1989	150,771	89,867	3,613,479	355,830	372,616	4,582,563
Provided in year	20,604	-	223,070	51,784	134,639	430,097
Disposals	-	-	(224,810)	(63,660)	(52,810)	(341,280)
31 December 1989	171,375	89,867	3,611,739	343,954	454,445	4,671,380
NET BOOK VALUE						
31 December 1989						
Owned assets	292,531	-	984,599	115,719	149,424	1,542,273
Assets under finance leases	-	-	3,083	-	-	3,083
	£292,531	£ -	£987,682	£115,719	£149,424	£1,545,356
NET BOOK VALUE						
31 December 1988						
Owned assets	304,759	-	634,836	156,381	260,491	1,356,467
Assets under finance lease	-	-	35,518	-	-	35,518
	£304,759	£ -	£670,354	£156,381	£260,491	£1,391,985
Future capital expenditure not provided in the Accounts				1989	1988	
Committed				-	-	
Authorised but not committed				2,075,000	-	
				£2,075,000	£ -	

NOTES TO THE ACCOUNTS (continued)
31st December 1989

	1989	1988
12. STOCKS AND WORK IN PROGRESS		
Stocks:		
Materials	377,862	382,264
Finished goods and goods for resale	<u>790,791</u>	<u>761,916</u>
	£1,118,673	£1,144,180
	=====	=====
Contract work in progress is accounted for in turnover and in accordance with the provisions of SSAP 9 the excess of book value over payments receivable is included in debtors as "Amounts recoverable on contracts". This represents a change in accounting policy and the corresponding amounts for the previous year have been restated.		
13. DEBTORS		
Amounts recoverable under contracts	707,743	1,312,554
Trade debtors	3,860,020	3,439,893
Amount due from group companies	4,986,087	4,819,232
Other debtors	33,522	742,791
Prepayments and accrued income	<u>29,961</u>	<u>85,121</u>
	£9,617,333	£10,399,591
	=====	=====
Included in other debtors is £nil (1988 - £186,667) in respect of advance corporation tax recoverable after more than one year.		
14. SUNDRY CREDITORS		
Amounts owed to group companies	606,576	1,499,929
Finance Leases	21,192	28,254
Corporation tax	1,461,058	2,289,747
Other taxation and social security	182,532	214,985
Dividends	1,219,000	560,000
Advance payments on contracts	<u>70,491</u>	<u>87,200</u>
	£3,560,849	£4,680,115
	=====	=====
15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Other creditors	£29,008	£21,192
	=====	=====
Amounts due between 1 and 2 years	£29,008	£21,192
	=====	=====

NOTES TO THE ACCOUNTS (continued)
31st December 1989

	1989	1988
16. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	-	-
Uninsured portions of possible claims	1,010,000	1,777,108
Other provisions	<u>378,000</u>	<u>364,625</u>
	£1,388,000	£2,141,733
Deferred taxation:	=====	=====
(a) Movement in period:		
At 1st January 1989	-	38,858
(Release) in year	-	<u>(38,858)</u>
At 31st December 1989	£ -	£ -
	=====	=====
(b) The source of the balance on deferred tax account is as follows:		
Accelerated capital allowances	-	152,321
Other timing differences	-	<u>(152,321)</u>
	£ -	£ -
	=====	=====
17. SHARE CAPITAL		
Authorised, allotted and fully paid Ordinary shares of £1 each	£1,000,000	£1,000,000
	=====	=====
18. PROFIT AND LOSS ACCOUNT		
Balance 1st January 1989	1,105,883	467,756
Retained profit for the year	<u>1,648,067</u>	<u>638,127</u>
Balance 31st December 1989	£2,753,950	£1,105,883
	=====	=====
19. FINANCE LEASE COMMITMENTS		
Finance:		
At 31st December 1989, the company had annual commitments under non-cancellable finance leases as follows:		
Within one year	21,192	28,254
In two to five years	<u>-</u>	<u>21,192</u>
	£21,192	£49,446
	=====	=====

NOTES TO THE ACCOUNTS (continued)
31st December 1989

20. CONTINGENT LIABILITIES

There are contingent liabilities at 31st December 1989 in respect of guarantees given in the ordinary course of business, and guarantees covering bank overdrafts in other group companies. The total of such overdrafts at 31st December 1989 was £650,727 (31st December 1988 - £8,313,422).

21. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Tilbury Group Public Limited Company which is registered in England.

PROFIT AND LOSS ACCOUNT

For the Year Ended 31st December 1989

	1989	1988
Gross profit	7,027,073	5,973,365
ADMINISTRATIVE EXPENSES		
Payroll and personnel service	2,181,454	1,991,746
Travel, subsistence and car expenses	487,376	517,267
Entertaining	45,887	46,048
Telephone, telex and postage	99,453	108,031
Depreciation	96,368	92,108
Printing, stationery and photocopying	66,772	82,622
Advertising, exhibitions and public relations	69,192	47,703
Professional fees, including audit	92,646	64,526
Rent, rates, energy costs	188,028	275,987
Office repairs, maintenance, cleaning	34,587	56,385
Data processing and microfilming	15,777	35,217
Discounts receivable and bank charges	775	(55,280)
Bad debts and provisions	-	(49,006)
Miscellaneous	208,363	244,843
Staff Welfare	-	20,429
	<u>3,586,678</u>	<u>3,478,626</u>
Operating profit	3,440,395	2,494,739
Interest receivable	764,307	219,072
Interest payable	<u>(6,632)</u>	<u>(5,836)</u>
PROFIT FOR THE YEAR		
BEFORE TAXATION	£4,198,070	£2,707,975
	=====	=====