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3—6

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8 — 9

10

TILLING CONSTRUCTION SERVICES LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Tilling Construction Services Limited will be held at 5.p.m. on Thursday 11th April, 1974 at Conyngham Hall, Knaresborough for the following purposes:

1. Minutes

To confirm Minutes of the Annual General Meeting held at the Lomond Castle Hotel, Dumbartonshire on Thursday 3rd May 1973.

2. Directors' Report and Financial Accounts

To receive the Directors' Report and Accounts, together with the Auditors' Report thereon, for the year ending 31st December 1973.

3. Dividend

To declare a final dividend for the year ending 31st December, 1973.

4. Re-election of Auditors

To re-appoint Messrs. Thomson McLintock & Co., C.A., Glasgow, in accordance with Section 159(?) of the Companies Act 1948 and fix their remuneration.

5. To transact any other ordinary business of the company.

By Order of the Board

W. McCulloch

Secretary

Conyngham Hall
Knaresborough
4th March 1974

TILLING CONSTRUCTION SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report and the audited accounts of the company for the year ended 31st December 1973.

1. PRINCIPAL ACTIVITIES

The principal activities of the company and its subsidiaries and an analysis of the results are as follows:

Principal activities	Proportion of total turnover %	Profit before tax £ 000
Winning, processing and sale of building materials	92	5,037
Transport and garaging	8	246
		<hr/> 5,283
Less: Interest		401
	<hr/> 100	<hr/> 4,882

There were no significant changes in the principal activities of the company or its subsidiaries last year.

2. ACQUISITIONS AND SALES OF COMPANIES

During the year the company acquired the whole share capital of J. Anderson & Sons Ltd., Limestone Products Ltd., Arthur Newsome Ltd., Scientific Roads (Northern) Ltd., Scientific Roads (Western) Ltd. and Skibeden Quarries Ltd. for a total cost of £2,563,000.

During 1973, Thomas Tilling Ltd. acquired on behalf of the company, the whole of the issued share capital of Man Abell Holdings Ltd. and Val de Travers Asphalte Ltd. at an approximate cost of £7,230,000. These companies will be transferred to this company at cost during 1974, Thomas Tilling Ltd. providing the finance by way of permanent loan capital.

3. TRANSFER TO RESERVE AND DIVIDEND

The company's proportion of profit before tax for the year as shown in the profit and loss account was £4,766,000. After a deduction for tax due on the profits of the year of £370,000, for a deferred tax provision of £1,882,000, and a credit for extraordinary items of £89,000, the balance available for dividend was £2,603,000. After dividend payments of £2,330,000, it is proposed to carry £273,000 to reserve, £14,000 being set aside for the redemption of the preference shares of a subsidiary.

4. ISSUE OF SHARES OR DEBENTURES

During the year the company issued 1,000 ordinary shares of £1 each at a total amount of £6,500,000 to finance the expansion of the Group.

5. FIXED ASSETS

The movements of fixed assets are set out on page 14 of the accounts. A valuation of freehold and long leasehold properties was carried out as at 31st December 1969. It is considered that the total value of the quarries and short leasehold properties in the attached accounts is at least equal to the

TILLING CONSTRUCTION SERVICES LIMITED
REPORT OF THE DIRECTORS (continued)

6. EXPORTS

Goods exported by the group from the United Kingdom were £313,000. (1972 £164,000).

7. DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year together with their shareholdings are listed below:

		At 1.1.73	At 31.12.73
Thomas Tilling Ltd. Ordinary shares of 20p each			
C. P. Clarke	- Personal	60,000	60,000
	- Incentive share scheme	35,000 part paid	35,000 part paid
	- Incentive share scheme	7,000 fully paid	7,000 fully paid
	- Family	30,519	30,519
G.E.P. Jackson	- Personal	2,106	2,106
	- Incentive share scheme	7,000 part paid	7,000 part paid
	- Incentive share scheme	1,400 fully paid	1,400 fully paid
D. Chapman	- Personal	720	1,363
	- Incentive share scheme	6,250 part paid	6,250 part paid
	- Incentive share scheme	1,250 fully paid	1,250 fully paid
A. Slater	- Personal	110,769	90,769
	- Incentive share scheme	26,584 part paid	26,584 part paid
	- Incentive share scheme	5,316 fully paid	5,316 fully paid
	- Family	33,852	33,852
K.H. Renton	- Personal	390	390
	- Incentive share scheme	7,000 part paid	7,000 part paid
	- Incentive share scheme	1,400 fully paid	1,400 fully paid
G.J. Gallagher	- Personal	600	775
	- Incentive share scheme	7,000 part paid	7,000 part paid
	- Incentive share scheme	1,400 fully paid	1,400 fully paid
R.W. Shirley	- Personal	1,200	
	- Incentive share scheme	8,000 part paid	
	- Incentive share scheme	1,600 fully paid	

Mr. C. J. Draper is a director of Thomas Tilling Limited and his interests in the shares and debentures of group companies will be disclosed by that company.

Mr. R. W. Shirley resigned as a director on 6th July 1973.

The fully paid shares issued under the Tilling Share Incentive Scheme rank only for one-twentieth of dividends declared on the ordinary capital.

BY ORDER OF THE BOARD

(signed) W. McCulloch

Secretary

Conyngham Hall
Knaresborough
Yorkshire

TILLING CONSTRUCTION SERVICES LIMITED
AUDITORS' REPORT TO THE MEMBERS

GLASGOW, 4th March 1974

We have audited the books and records of Tilling Construction Services Limited for the year ended 31st December 1973. The annexed accounts have been properly prepared in accordance with the provisions of the Companies Acts 1948 and 1967.

These accounts, incorporating the assumption as regards recompense for exceptional contract cost increases as explained in note A.(1), give, in our opinion, a true and fair view of the state of affairs of the company, and of the state of affairs and profit of the company and its subsidiaries so far as concerns the members of the company.

(Signed) THOMSON McLINTOCK & CO.
Chartered Accountants

TILLING CONSTRUCTION SERVICES LIMITED ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION

The consolidated accounts include the accounts of the company and its subsidiaries made up to 31st December each year. Sales and profits of subsidiaries acquired during the year are included from the date of effective acquisition.

2. SALES

Sales represent charges to external customers. Taxes levied on sales are excluded.

3. ASSOCIATED COMPANIES

Group profit before tax includes the Group's share of profits less losses of associated companies based on the latest available accounts. Group sales exclude any sales by associated companies. The consolidated balance sheet shows shares in and loans to associated companies at cost together with the Group's share of undistributed net profits accumulated since acquisition.

4. TAX EQUALISATION

Tax equalisation charged to the profit and loss account represents tax calculated at the rate ruling at the balance sheet date on that part of the profit before tax attributable to the Group, the assessment of which to tax is postponed due to the differing bases of computing taxable profits.

Tax equalisation in the consolidated balance sheet is an estimate of the tax which would arise were the assets less liabilities to be sold on the balance sheet date for the ascribed values.

5. FIXED ASSETS AND DEPRECIATION

Freehold and long leasehold properties are revalued professionally at five-yearly intervals, the last valuation having taken place in 1969. The difference on revaluation net of deferred tax is adjusted on reserve. All other fixed assets are stated at cost.

Depreciation is provided on all fixed assets except certain freehold and long leasehold properties which it is considered will not depreciate in value. Short leasehold properties are depreciated in equal annual instalments over the terms of the leases. Plant, equipment and vehicles are depreciated by the straight-line method, each item being written off over its expected life from the date brought into commercial use. Minerals are also written off over their expected life based on usage.

6. LEASING CHARGES

Rental payments on assets leased are written off over the life of the assets in so far as they equate to the cost of the assets and, to the extent that they represent the lessors' charges, they are written off evenly over the period from commencement of the lease until the date of the last payment.

TILLING CONSTRUCTION SERVICES LIMITED
ACCOUNTING POLICIES (continued)

7. GOVERNMENT GRANTS

United Kingdom investment grants have been applied against the cost of fixed assets.

Regional development grants receivable under the Industry Act 1972 have been taken to a separate account and are being credited to Profit and Loss Account over the life of the assets concerned.

8. STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued consistently with the previous year at the lower of cost and net realisable value. Cost, where appropriate, includes a proportion of direct production and administrative overheads.

9. GOODWILL

Goodwill shown in the balance sheet represents mainly the value attributed by the directors to the goodwill acquired with the assets of the undertakings purchased from subsidiary companies on 1st January 1970 when the Group was formed.

6

TILLING CONSTRUCTION SERVICES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1973

	Notes	1973 £000	1972 £000
Group sales		464,005	394,842
GROUP PROFIT BEFORE INTEREST AND TAX	A	5,293	3,456
Interest	B	401	445
Group profit before tax		4,892	3,911
Amount attributable to minority shareholders		116	73
PROFIT BEFORE TAX ATTRIBUTABLE TO SHAREHOLDERS		4,766	3,838
Tax on the profit of the year	C	379	147
		4,386	3,691
Tax equalisation relating to the year		1,822	1,659
Net profit before extraordinary items		2,564	2,032
Add: Extraordinary items	D	85	
Balance available for shareholders	E	2,649	2,032
Dividends, gross			
First interim		465	535
Second interim		465	
Final		395	393
		2,325	1,476
TRANSFER TO RESERVE		224	229

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1973

	1973 £000	1972 £000
A. PROFIT BEFORE INTEREST		
There is included:		
(1) The profit before interest is shown after charging a provision of £315,000 against estimated losses to be incurred in 1974/75 on certain fixed price road surfacing contracts. These losses arise mainly from exceptional increases in the cost of bitumen and other petroleum products. It is understood that the company will be recompensed for these increases to a substantial degree, and the provisions made have anticipated this compensation to the extent of £767,000.		
(2) Aggregate income before tax of associated companies	142	124
(Franked income £79,768 (1972 £26,143))		
There is deducted:		
(3) Depreciation	2,511	2,159
As recommended by independent valuers, depreciation has not been provided on certain freehold properties.		
(4) Charges for hire of plant and machinery. (including rental charges under leasing)	652	118
(5) Group audit fees (including expenses)	21	17
(6) Remuneration of directors		
Total emoluments:		
Fees	2	4
Other	91	81
	93	85
The Chairman's emoluments were £2,000 (£1,500) and the highest paid director received £19,025 (£17,000)		
Other directors:	No.	No.
Nil - £2,500	1	2
£2,501 - £5,000	-	-
£5,001 - £7,500	-	1
£7,501 - £10,000	4	3
£10,001 - £12,500	1	1
Compensation on termination of employment by a former director - nil (1972 £6,500)		
(7) Employees (other than directors) receiving more than £10,000 a year	1	2
£10,000 - £12,500		

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1973 (continued)

	1973 £000	1972 £000
B. INTEREST		
Payable on:		
Thomas Tilling Ltd. - group loans	178	280
Bank borrowings	224	157
Other borrowings	20	14
	<u>422</u>	<u>451</u>
Receivable on:		
Other loans	21	6
	<u>401</u>	<u>445</u>
C. TAX ON THE PROFIT OF THE YEAR		
Taxation is provided at 47½% (1972 at 40%)	429	166
Less: amount attributable to minority shareholders	59	19
	<u>370</u>	<u>147</u>
Tax included above in respect of associated companies amounts to £51,319 (1972 £19,000)		
D. EXTRAORDINARY ITEMS		
Surplus on disposal of fixed assets	129	
Deferred tax charge thereon	40	
	<u>89</u>	<u>-</u>
E. PROFITS DEALT WITH IN THE ACCOUNTS OF THE PARENT COMPANY	<u>2,588</u>	<u>1,689</u>
F. ASSOCIATED COMPANIES - AGGREGATE INCOME		
Aggregate income included in profits (per note A)	142	124
Share of net aggregate profit based on latest available accounts		
Before tax	142	124
After tax (including tax equalisation of £23,000 (1972 (£11,000)))	68	94
Distribution of share of profits after tax by associated companies	80	26
Share of net aggregate profits since date of acquisition	14	26

TILLING CONSTRUCTION SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1973

	Notes	1973 £000	1972 £000
CAPITAL EMPLOYED			
Ordinary shareholders' interest			
Ordinary shares issued	G	5,221	5,220
Premiums on issues of shares	G	14,805	8,306
Reserve	H	573	916
		<u>20,599</u>	<u>14,442</u>
Less: Goodwill		4,720	4,689
		<u>15,879</u>	<u>9,753</u>
Long term loan from/(to) Thomas Tilling Limited		(1,450)	2,550
		<u>14,429</u>	<u>12,303</u>
Outside shareholders' interests		338	331
Government grants		347	139
Deferred taxation - equalisation account		5,028	2,318
Deferred liabilities for purchase of quarry property		369	314
		<u>20,511</u>	<u>15,405</u>

TILLING CONSTRUCTION SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1973

	Notes	1973 £000	1972 £000
USE OF CAPITAL			
Fixed assets	L	13,790	14,687
Investment in associated companies	M	629	641
		<u>19,419</u>	<u>15,328</u>
Leasing payments in advance	N	<u>1,777</u>	<u>523</u>
Current assets			
Stocks and work in progress		1,767	1,269
Fellow subsidiaries current accounts		-	34
Debtors and prepayments		11,186	8,334
Bank balances and cash		89	20
		<u>13,042</u>	<u>9,657</u>
Deduct: Current liabilities			
Group current accounts		88	984
Parent company		1,132	588
Fellow subsidiaries		8,374	5,461
Creditors and provisions		43	43
Provision for past service pensions		2,067	1,478
Bank overdrafts			
Taxation		691	456
Payable - 1974		342	154
- 1975		990	939
Ordinary dividend (gross)		<u>13,727</u>	<u>10,103</u>
Net tangible assets		<u>20,511</u>	<u>15,405</u>

TILLING CONSTRUCTION SERVICES LIMITED
COMPANY BALANCE SHEET AS AT 31ST DECEMBER 1973

	Notes	1973 £000	1972 £000
CAPITAL EMPLOYED			
Ordinary shareholders' interest			
Ordinary shares issued	G	5,221	5,220
Premiums on issues of shares	G	14,805	2,306
Reserve	H	287	604
		<u>20,313</u>	<u>14,130</u>
Less: Goodwill		4,402	4,371
		<u>15,911</u>	<u>9,759</u>
Long term loan from/(to) Thomas Tilling Ltd.		(1,131)	2,869
		<u>14,780</u>	<u>12,628</u>
Government grants		328	126
Deferred taxation - equalisation account		4,870	2,205
Deferred liabilities for purchase of quarry property		305	313
		<u>20,283</u>	<u>15,272</u>

"This is the copy referred to in the annexed Certificate B"

[Signature] Director

[Signature] Secretary

(Signed)

C. J. Draper

(Signed)

C. P. Clarke

Directors

TILLING CONSTRUCTION SERVICES LIMITED
COMPANY BALANCE SHEET AS AT 31ST DECEMBER 1973

	Notes	1973 £000	1972 £000
USE OF CAPITAL			
Fixed assets	L	16,653	12,512
Investment in associated companies	M	615	615
		<u>17,268</u>	<u>13,127</u>
Leasing payments in advance	N	<u>1,684</u>	<u>523</u>
Subsidiary companies (as listed on page 16)			
Cost of shares (less amounts written off)		4,897	3,364
Add: loans and current accounts		<u>1,370</u>	<u>1,191</u>
		6,267	4,555
Less: deposits back		<u>3,806</u>	<u>2,420</u>
		<u>2,461</u>	<u>2,135</u>
Current assets			
Stocks and work in progress		1,264	891
Current accounts of fellow subsidiaries		-	14
Debtors and prepayments		10,115	7,713
Cash		<u>21</u>	<u>7</u>
		11,400	8,625
Deduct: Current liabilities			
Group current accounts		68	984
Parent company		1,138	585
Fellow subsidiaries		7,793	4,895
Creditors and provisions		36	41
Provisions for past service pensions		1,992	1,291
Bank overdrafts			
Taxation		433	368
Payable - 1974		80	35
- 1975		990	939
Ordinary dividend (gross)		<u>12,530</u>	<u>9,138</u>
		<u>20,283</u>	<u>15,272</u>
NET TANGIBLE ASSETS			

NOTES TO BALANCE SHEET
AS AT 31ST DECEMBER 1973

G. MOVEMENTS OF ORDINARY SHARES AND PREMIUMS ON ISSUE OF SHARES

	<u>£1 Ordinary Shares</u>		<u>Premiums on</u>
	<u>Authorised</u>	<u>Issued</u>	<u>issue of shares</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Position at 31st December 1972	5,220	5,220	8,306
Authorised and issued during the year - 1,000 shares at £6,500 per share	1	1	6,499
	<u>5,221</u>	<u>5,221</u>	<u>14,805</u>

H. MOVEMENTS ON RESERVE

	<u>Group</u>	<u>Company</u>
	<u>£000</u>	<u>£000</u>
Balance at 31st December 1972	916	604
Transfer from profit and loss account	273	258
	<u>1,189</u>	<u>862</u>
Transfer to the deferred taxation - equalisation account on change in the rate of corporation tax	616	575
	<u>573</u>	<u>287</u>
Balance at 31st December 1973		
(stated after including the retained profits of associated companies attributable to the group)	<u>14</u>	
The preference share redemption reserve of a subsidiary has been increased by £14,000 (1972 £15,286) making £214,734.		
The amount of reserve of a capital nature	<u>539</u>	<u>205</u>

I. CONTINGENT LIABILITIES

The company and its wholly owned United Kingdom subsidiaries in common with all other wholly owned United Kingdom subsidiaries of Thomas Tilling Ltd. have given a joint and several guarantee of the repayment of the principal, interest and costs arising out of the issue by Thomas Tilling Ltd. of £10,000,000 7½% Debenture Stock 1985/90 and have secured such guarantees by giving a first floating charge on their undertakings, property and assets.

J. RATE OF EXCHANGE

The rate of exchange used in respect of a Belgian subsidiary was 95.8 B.Fr. to £1 sterling.

K. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Thomas Tilling Ltd. which is incorporated in the United Kingdom.

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	Freehold property £000	Leasehold property £000	Quarries £000	Plant vehicles tools etc. £000	Total £000
At 1st Jan 1950	904	760	4,103	9,363	14,687
At 31st Dec 1950	520	-	774	369	1,663
At 31st Dec 1951	486	92	569	4,410	5,557
At 31st Dec 1952	(106)	-	(147)	(353)	(606)
At 31st Dec 1953	(36)	(24)	(388)	(2,063)	(2,511)
At 31st Dec 1954	1,828	328	4,911	11,723	18,790
At 31st Dec 1955	1,482	569	6,796	23,259	32,106
At 31st Dec 1956	531	37	-	113	681
At 31st Dec 1957	(185)	(278)	(1,885)	(11,649)	(13,997)
At 31st Dec 1958	1,828	328	4,911	11,723	18,790
At 31st Dec 1959	674	798	3,209	8,431	12,512
At 31st Dec 1960	940	76	1,355	4,549	6,920
At 31st Dec 1961	(105)	-	(136)	(302)	(543)
At 31st Dec 1962	(15)	(21)	(334)	(1,866)	(2,236)
At 31st Dec 1963	1,494	253	4,094	10,812	16,653
At 31st Dec 1964	1,192	488	5,842	21,286	28,808
At 31st Dec 1965	418	37	-	113	568
At 31st Dec 1966	(116)	(272)	(1,748)	(10,587)	(12,723)
At 31st Dec 1967	1,494	253	4,094	10,812	16,653
At 31st Dec 1968				Group Total £000	Company £000
At 31st Dec 1969				1,127	964

Notes:

* Net book value of short leases included above

* Net book value of properties was carried out in the year to

NOTES TO BALANCE SHEET (continued)

M. SHARES IN ASSOCIATED COMPANIES (group and company)

	1973 £000	1972 £000
Share of net assets at book amount	624	636
Goodwill on acquisition less amount written off	5	5
	<u>629</u>	<u>641</u>
being		
Cost of shares	515	515
Loan	100	100
Add profits retained	14	26
	<u>629</u>	<u>641</u>

N. LEASING PAYMENTS IN ADVANCE

	Group		Company	
	1973 £000	1972 £000	1973 £000	1972 £000
Total amount due under leases taken out in year	3,645	2,858	3,219	2,858
Amount due to lessors (including charges) after rental payments in the year	4,156	2,286	3,868	2,286
Rental payments in the year	1,775	572	1,637	572
Rental payments charged to profit and loss account (see accounting policy 6)	521	49	476	49
Rental payments carried forward	1,777	523	1,684	523

O. CAPITAL EXPENDITURE COMMITMENTS

	Group		Company	
	1973 £000	1972 £000	1973 £000	1972 £000
Contracts placed	3,242	1,764	3,064	1,678
Further contracts authorised	2,241	428	2,044	389
Total authorised expenditure	<u>5,483</u>	<u>2,192</u>	<u>5,108</u>	<u>2,067</u>
Deduct: Estimated proceeds of sales authorised	483	352	483	352
	<u>5,000</u>	<u>1,840</u>	<u>4,625</u>	<u>1,715</u>

In addition, during 1973, Thomas Tilling Ltd. acquired on behalf of the company, the whole of the issued share capital of Man Abell Holdings Ltd. and Val de Travers Asphalte Ltd. at an approximate cost of £7,230,000. These companies will be transferred to this company at cost during 1974.

TILLING CONSTRUCTION SERVICES LIMITED

SUBSIDIARY COMPANIES (Incorporated in the United Kingdom)

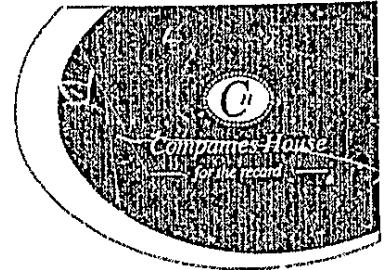
Name	Class	Percentage held
Active		
Aceys Transport and Warehousing Ltd.	Ordinary	100
Alexandra Building Services Ltd.	Ordinary	100
Conatus Industries Ltd.	Ordinary	100
Elgin Building Services Ltd.	Ordinary	55
Medwin Sands Ltd.	Ordinary	85
Meriden Sand & Gravel Co. Ltd.	Ordinary	100
Mortier Readymix S.A. (incorporated in Belgium)	Ordinary	100
Arthur Newsome Ltd.	Ordinary	100
North Riding Garages Ltd.	Ordinary	100
Scientific Roads (Northern) Ltd.	Ordinary	100
Scientific Roads (Western) Ltd.	Ordinary	100
Skibeden Quarries Ltd.	Ordinary	100
Slaters Transport Ltd.	Ordinary	100
Tilcon Loch Aline Ltd.	Ordinary	100

Non-active

J. Anderson & Sons Ltd.	Ordinary	100
Bairstow of Shipley Ltd.	Ordinary	100
Hawthorn Aggregates Ltd.	Ordinary	100
Limestone Products Ltd.	Ordinary	100
Tilcon Macadam Ltd.	Ordinary	100

ASSOCIATED COMPANIES

Carpave Ltd.	Ordinary	33.3
Highland Bitumens Ltd.	Ordinary	33.3
Scottish Brick Co. Ltd.	"A" Ordinary	100
	"B" Ordinary	nil
	Preferred	nil
6 ² / ₃ % 1st	Preference	100
8% 2nd	Preference	50



Crown Way Cardiff CF14 3UZ
www.companieshouse.gov.uk

NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE

Companies House is a registry of company information. We carry out basic checks to make sure that documents have been fully completed and signed, but we do not have the statutory power or capability to verify the accuracy of the information that companies send to us. We accept all information that companies deliver to us in good faith and place it on the public record. The fact that the information has been placed on the public record should not be taken to indicate that Companies House has verified or validated it in any way.