

STEVIN CONSTRUCTION (U.K.) LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the FORTY-THIRD ANNUAL GENERAL MEETING of the Company will be held at Stevin House, Springwell Road, Springwell, Gateshead, Tyne & Wear, on Tuesday, 8th March 1977, at 2.45 p.m. for the following purposes:-

1. To consider and adopt the Directors' Report and Accounts for the year ended 31st December 1976.
2. To elect Directors.
3. To transact any other business which may be competent to a General Meeting of the Company.

Any member of the Company entitled to attend and vote at the Meeting may appoint another person or persons as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

Dated this 11th day of February 1977

BY ORDER OF THE BOARD

K. ANDERSON  
Secretary

Registered office:

Stevin House,  
Springwell Road,  
Springwell,  
Gateshead,  
Tyne & Wear.

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# STEVIN CONSTRUCTION (U.K.) LIMITED

- and -

## subsidiary companies

### Directors:

H.P. Meijer - Chairman  
J.H. Wilson - Managing  
J.H. van Loenen  
F.G. Hommes

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Report of the Directors to be laid before the Annual General Meeting  
of the Shareholders to be held on 8th March 1977.  
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The Directors present their Annual Report and Accounts for the year ended  
31st December 1976.

It will be recalled that when commenting upon the results in their 1975 Report your Board regarded the short-term future as being satisfactory. Events have justified this forecast and the group profit before tax amounted to £380,269 for 1976 which is marginally less than 1975 when the figure was £390,997. Comparison with last year is, however, more satisfactory when it is remembered that the 1975 result included a claim of nearly £100,000.

In the North East the success of 1975 continued through into 1976 and three contracts completed during the year made outstanding contributions to the results. The difficulties encountered in the North West in 1975 were again in evidence during the year under review but the successful completion of an exceptionally profitable contract enabled the area to record an improvement over last year.

The parlous state of the construction industry within the United Kingdom can hardly be overstated. The country's economic position in general, and the down-turn in the public sector in particular, contrive to present a particularly gloomy future. The Board are however actively taking such steps as are possible to reduce the adverse effects of the present recession in the industry. It is hoped that the results for the current year will not be unsatisfactory but the picture for 1978 and beyond is one of anxious uncertainty.

By an agreement of the 1st January 1976, Stevin Groep N.V. of Holland and Harbour and General Works (Stevin) Limited (being a subsidiary of Stevin Construction (U.K.) Limited) have an interest in the ANDOC Joint Venture (Anglo-Dutch Offshore Concrete).

Parties to this joint venture intend to obtain orders to construct concrete platforms for oil and gas extraction at sea.

In relation to work performed within the United Kingdom (including the territorial waters of the United Kingdom and waters in any designated area within the meaning of the Continental Shelf Act 1964) Stevin Groep N.V. shall be deemed to be acting as agent for Harbour and General Works (Stevin) Limited.

Performance by Harbour and General Works (Stevin) Limited is guaranteed by Stevin Groep N.V., being the ultimate parent company.

STEVIN CONSTRUCTION (U.K.) LIMITED

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subsidiary companies

DIRECTORS' REPORT (continued)

Principal activities

The principal activities of the Group, in which no change has taken place during the year, consist of civil engineering.

Exports

The value of goods exported in 1976 amounted to £95,607.

Fixed assets

No significant change in the Group's fixed assets has taken place during the financial year other than expenditure in the normal course of business on replacements, modernisation, and improvement, the amount of which is shown in the schedule of fixed assets attached to the Balance Sheet.

Directorate

According to the Register of Directors' Share Interests kept by the Company, the Directors had the following non-beneficial interests within the meaning of the Companies Act 1967:-

	Shares in Stevin Construction (U.K.) Limited	
	<u>1.1.76</u>	<u>31.12.76</u>
H.P. Meijer	100	100
J.H. Wilson	100	100
J.H. van Loenen	100	100
F.G. Hommes	100	100

The Directors served throughout the year and the Director to retire by rotation is Mr. J.H. van Loenen who, being eligible, offers himself for re-election.

Employees

On average there were 534 employees working for the Group during the year who received in total remuneration amounting to £1,915,000.

Auditors

Messrs. Keelings have indicated their willingness to continue in office.

BY ORDER OF THE BOARD

J.H. WILSON  
Managing Director

21st February 1977

STEVIN CONSTRUCTION (U.K.) LIMITED

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subsidiary companies

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 1976

	Notes	1976		1975	
		£	£	£	£
<u>TURNOVER</u>	2		8,620,159		9,580,184
<u>TRADING PROFIT OF GROUP</u> prior to taxation	3		380,269		390,997
<u>TAXATION</u>	5		-		2,500
Deferred tax			380,269		388,497
<u>NET PROFIT OF GROUP</u> after taxation					
<u>NET PROFIT OF GROUP ATTRIBUTABLE TO STEVIN CONSTRUCTION (U.K.) LIMITED</u>					
Net profit of parent company		11,569	380,269	380,008	388,497
Net profit of subsidiaries		368,700		8,489	
<u>BALANCE</u> brought forward					
Parent company		306,387		(73,621)	
Subsidiaries		34,232		55,243	
Less: Deferred tax adjustment		-	340,619	(29,500)	(47,878)
<u>ACCUMULATED PROFITS</u> carried forward			720,888		340,619
Made up as follows:					
<u>PARENT COMPANY</u>					
Balance brought forward		306,387		(73,621)	
Profit for year		11,569	317,956	380,008	306,387
<u>SUBSIDIARIES</u>					
Balance brought forward		34,232		55,243	
Deferred tax adjustment		-		(29,500)	
Profit for year		368,700	402,932	8,489	34,232
<u>ACCUMULATED PROFITS</u> carried forward as above			720,888		340,619

The notes on pages 8 to 10 form part of the accounts.

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

STEVIN CONSTRUCTION (U.K.) LIMITED

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subsidiary companies

CONSOLIDATED BALANCE SHEET

31ST DECEMBER 1976

		Notes	1976		1975	
			£	£	£	£
<b>CAPITAL AND RESERVES</b>						
Share capital of Stevin Construction (U.K.) Limited	6			300,000		300,000
Capital reserve						
Consolidated adjustments re: shares in subsidiary companies			489		489	
Revenue reserves			720,888	721,377	340,619	341,108
Profit and loss account						
				1,021,377		641,108
<b>REPRESENTED BY:</b>						
<b>CURRENT ASSETS</b>						
Debtors and prepayments	7		1,731,649		2,279,190	
Stocks and work in progress			288,691		14,838	
Cash in hand and at bank			23,162	2,043,502	36,660	2,330,688
<b>CURRENT LIABILITIES</b>						
Creditors and accrued expenses			1,317,742		1,501,022	
Bank overdraft			457,489		489,956	
Bank loan			-	1,775,231	125,000	2,115,978
<b>NET CURRENT ASSETS</b>						
				268,271		214,710
<b>FIXED ASSETS (see page 6)</b>						
Cost			1,098,841		939,107	
Investment and development grants			(68,972)		(54,911)	
Depreciation			(418,597)	611,272	(338,874)	545,322
				879,543		760,032
				-		6,000
				879,543		754,032
<b>Less: RE-ORGANISATION PROVISION</b>						
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<b>INTER-COMPANY INDEBTEDNESS</b>						
Subordinated loan by parent company	9		(490,244)		(490,244)	
Net amount due from parent and fellow subsidiary companies			667,078	176,834	412,320	(77,924)
				1,056,377		676,108
				35,000		35,000
<b>DEFERRED TAXATION</b>						
	10			1,021,377		641,108

H.P. MEIJER )  
J.M. WILSON ) Directors

The notes on pages 8 to 10 form part of the accounts.

STEVIN CONSTRUCTION (U.K.) LIMITED

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STATEMENT OF FIXED ASSETS

31ST DECEMBER 1976

	Freehold land and buildings £	Plant, vehicles and equipment £	TOTAL £
<b>COST OF ASSETS</b>			
Total at 31.12.75	162,318	276,789	959,107
Additions during year	568	186,813	187,381
	162,886	963,602	1,126,488
Disposals during year	-	27,647	27,647
Total at 31.12.76	162,886	935,955	1,098,841
<b>INVESTMENT AND DEVELOPMENT GRANTS</b>			
Total at 31.12.75	9,682	45,229	54,911
Grants received during year	-	17,915	17,915
	9,682	63,144	72,826
Less: Applicable to disposals	-	3,854	3,854
Total at 31.12.76	9,682	59,290	68,972
<b>PROVISION FOR DEPRECIATION</b>			
Total at 31.12.75	24,701	314,173	338,874
Charge for year based on cost	4,655	100,667	105,522
Reduction due to grants	194	6,904	7,098
Net charge for year	4,461	93,963	98,424
	29,162	408,136	437,298
Disposals during year	-	18,701	18,701
Total at 31.12.76	29,162	389,435	418,597
<b>WRITTEN DOWN VALUE at 31.12.76</b>	124,042	487,230	611,272

<b>SALE OF FIXED ASSETS</b>		
Cost	27,647	27,647
Investment grant	(3,854)	(3,854)
Depreciation	(18,701)	(18,701)
Written down value	5,092	5,092
Proceeds	5,230	5,230
Profit	138	138

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

STEVIN CONSTRUCTION (U.K.) LIMITED

BALANCE SHEET

31ST DECEMBER 1976

	Notes	1976		1975	
		£	£	£	£
<b>CAPITAL AND RESERVES</b>					
Share capital	6	300,000		300,000	
Profit and loss account		317,956	617,956	366,387	606,387
<b>REPRESENTED BY:</b>					
<b>CURRENT ASSETS</b>					
Debtors and prepayments		57,715		2,125,462	
Stock and work in progress	7	-		(469,548)	
Cash in hand and holiday stamps		23,102	80,877	26,591	1,682,705
<b>CURRENT LIABILITIES</b>					
Creditors and accrued expenses		453,282		1,452,511	
Bank overdraft		457,489		489,956	
Bank loan		-	910,771	125,000	2,067,467
<b>NET CURRENT LIABILITIES</b>			(829,894)		(384,762)
<b>FIXED ASSETS</b>					
Cost	11	-		916,863	
Investment and development grants		-		(54,911)	
Depreciation		-	-	(332,903)	529,049
<b>INVESTMENTS</b>					
Shares in subsidiary at cost			2,137		2,137
less amounts written off	12		(827,757)		146,424
<b>Less: RE-ORGANISATION PROVISION</b>			-		6,000
			(827,757)		140,424
<b>INTER-COMPANY INDEBTEDNESS</b>					
Subordinated loan by parent company	9	(490,244)		(490,244)	
Net amount due from parent and fellow subsidiary companies		1,935,957	1,445,713	956,207	465,963
			617,956		606,387

H.P. MEIJER )  
 )  
 ) Directors  
 )  
J.H. WILSON )

The notes on pages 8 to 10 form part of the accounts.

# STEVIN CONSTRUCTION (U.K.) LIMITED

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NOTES RELATING TO THE ACCOUNTS

31ST DECEMBER 1976

## 1. Accounting policies

### (a) Basis of consolidation

The group accounts reflect the results of the consolidation of the accounts of the company and its subsidiaries whose financial years all end on 31st December.

### (b) Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value on bases consistent with those adopted in previous years. Work in progress is valued at cost and includes an allocation of overheads less amounts received or receivable at the accounting date. Provision has been made for estimated losses to completion. Profits on long-term contracts are only taken when the final result can be assessed with reasonable certainty.

### (c) Depreciation

Depreciation is provided at various rates to write off the cost of fixed assets in equal annual amounts over their anticipated useful lives. No depreciation is provided in respect of freehold land.

### (d) Investment and development grants

Grants are treated as reducing the cost of the relevant fixed asset by the amount of the grant and depreciation is calculated on the net cost.

### (e) Turnover

Turnover represents the amount invoiced for work done and services rendered during the year.

### (f) Deferred taxation

Deferred taxation represents tax at 52% to take account of stock appreciation relief and timing differences between the treatment of certain items for accounts purposes and their treatment for corporation tax purposes.

## 2. Turnover

The company's turnover includes inter-group sales of £2,297 (1975 £2,146).

## 3. Trading profit

The net trading profit of the group is after providing for

	<u>1976</u>	<u>1975</u>
	£	£
Directors' emoluments (note 4)	15,133	17,639
Depreciation of fixed assets	38,424	74,031
Profit on sale of fixed assets	(138)	(8,360)
Plant hire	694,810	1,826,452
Auditors' remuneration	10,000	8,300
Bank interest	28,036	72,726



# STEVIN CONSTRUCTION (U.K.) LIMITED

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NOTES RELATING TO THE ACCOUNTS (continued)

31ST DECEMBER 1976

## 4. Directors' emoluments

The chairman did not receive any remuneration. The remuneration of the highest paid director excluding pension scheme contributions and after deducting waived remuneration of £5,226 in respect of 1975 was £12,353 (1975 £15,542). The remaining directors did not receive any remuneration.

## 5. Taxation

(a) No corporation tax will be payable on the profit of the year as this is covered by losses in prior years and tax deferred by stock appreciation relief and accelerated capital allowances. Tax losses (excluding stock relief) available to offset future profits amount to approximately £310,000 and losses generated by stock relief amount to a further £267,000.

(b) The deferred tax has been calculated at 52%.

(c) Stevin Construction (U.K.) Limited is not a close company within the meaning of the Taxes Act 1970.

## 6. Share capital

The authorised, issued and fully paid share capital remained unchanged throughout the year and represents 300,000 ordinary shares of £1 each.

## 7. Stocks and work in progress - group

	£	£
Stocks		439,810
Work in progress on contracts		
Costs	4,767,042	
Less: Progress payments received or receivable	4,848,461	
	(81,419)	
Less: Provisions	(69,700)	(151,119)
		<u>£288,691</u>

## 8. Reorganisation provision - group and parent

	<u>1976</u> £	<u>1975</u> £
Balance at beginning of year	6,000	7,529
Less: Expenditure in current year charged against provision	6,000	1,529
	-	6,000
Add: Further provision made in year	-	-
Balance at end of year	-	6,000

# STEVIN CONSTRUCTION (U.K.) LIMITED

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## Subsidiary companies

NOTES RELATING TO THE ACCOUNTS (continued)

31ST DECEMBER 1976

### 9. Subordinated loan by parent company

The parent company has covenanted that:

- (a) On a winding-up of Stevin Construction (U.K.) Limited, no amount shall be payable in respect of the subordinated loan until the claims of all other unsecured creditors have been satisfied in full.
- (b) Prior to a winding-up, repayments may only be made when the auditors have certified that the net current assets are not less than £75,000 excluding stock and work in progress at depots.

### 10. Deferred tax

The balance of £35,000 relates to a subsidiary company and is made up as follows:

	£
Stock appreciation relief	31,500
Timing differences	3,500
	<u>35,000</u>

### 11. Fixed assets

The fixed assets were transferred at book value to the subsidiary company, Harbour and General Works (Stevin) Limited with effect from 1st January 1976 as follows:

	Freehold land and buildings £	Plant and equipment £	Total £
Cost of assets	162,318	754,545	916,863
Investments and development grants	(9,682)	(45,229)	(54,911)
Provision for depreciation	<u>(24,701)</u>	<u>(308,202)</u>	<u>(332,903)</u>
Net book value at 31.12.75	<u>127,935</u>	<u>401,114</u>	<u>529,049</u>

### 12. Shares in subsidiary companies (wholly owned)

The following £1 ordinary shares are held in companies incorporated in England:

Harbour and General Works (Stevin) Limited	100
Brooks Contracting Co. Limited	3,000
Steel Foundations Limited	100

### 13. Capital commitments and authorisations

Future capital expenditure approved by the directors and not provided in these accounts is as follows:

	1976 £	1975 £
Contracts placed	-	24,343
Contracts not placed	-	-

### 14. Holding company

The ultimate holding company is Stevin Groep N.V., incorporated in Holland.

STEVIN CONSTRUCTION (U.K.) LIMITED

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subsidiary companies

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

31ST DECEMBER 1976

	1976	1975
	£	£
<u>SOURCE OF FUNDS</u>		
Group profit before tax	380,269	390,997
Adjustments not involving the movement of funds:		
Depreciation	98,424	74,031
Profit on disposal of fixed assets	(138)	(8,366)
Development grant received (repaid)	17,915	(1,652)
Proceeds of sale of fixed assets	5,230	16,893
	<hr/> 501,700	<hr/> 471,903
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	187,381	277,445
	<hr/> £314,319	<hr/> £194,458
<u>INCREASE IN WORKING CAPITAL</u>		
Increase (decrease) in debtors	(547,541)	189,837
Increase (decrease) in stock and work in progress	273,853	(563,615)
Decrease in creditors	189,280	353,161
Increase in group debtors	254,758	46,336
Decrease in bank overdraft	157,467	139,167
Increase (decrease) in cash balances	(13,498)	29,572
	<hr/> £314,319	<hr/> £194,458

REPORT OF THE AUDITORS TO THE MEMBERS OF  
STEVIN CONSTRUCTION (U.K.) LIMITED

We have examined the accounts set out on pages 4 - 11 which have been prepared under the historical cost convention.

In our opinion the accounts under this accounting convention together give, so far as concerns members of the holding company, a true and fair view of the state of affairs at 31st December 1976 and of the profit and the source and application of funds for the year ended on that date and comply with the Companies Acts 1948 and 1967.

KEELINGS  
Chartered Accountants

Northway House,  
High Road,  
Whetstone,  
London, N20 9LP.

21st February 1977