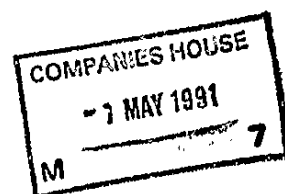


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THE EXPANDED PILING COMPANY LIMITED

ACCOUNTS
for the year ended
29th AUGUST 1990

~~129~~ 288
1/5/91.



Directors' Report

The directors submit their report and accounts for the year ended 29th August 1990.

Results and Dividends

The trading profit for the year after taxation, amounted to £2,211,593.
The directors do not recommend the payment of a dividend.

Review of the Business

The company's principal activities during the year were those of piling contractors and associated activities.

Fixed Assets

The changes in fixed assets during the year are summarised in the notes to the accounts.

Directors and their Interests

The directors at 29th August 1990, and their beneficial interests in the share capital of the company, were as follows:-

	<u>At</u> <u>29th August 1990</u>	<u>At</u> <u>29th August 1989</u>
	<u>Ordinary Shares</u>	<u>Ordinary Shares</u>
	<u>No.</u>	<u>No.</u>
R.A.Smith	22,500	22,500
K.T.Smith	1,800	2,250
A.G. Amos	-	-
J.G. Bell	-	-
R.J. Markham	-	-
W. Beaumont	-	-

On 9th October 1990 the whole of the issued share capital of the company was acquired by Monk Construction Limited, and the ultimate holding company became Davy Corporation plc. R.A.Smith, K.T.Smith and W.Beaumont resigned as directors and A.Lucas, G.McPhie and J.T.K.Redman were appointed on that day. J.T.K.Redman resigned on 1st March 1991. A.Lucas and G.McPhie retire at the Annual General Meeting, and being eligible, offer themselves for re-election.

Political and Charitable Donations

During the year political contributions for the benefit of the Conservative Party amounted to £2,650 and charitable donations amounted to £5,337.

Close Company

At 29th August 1990, the company was a close company within the provisions of the Income and Corporation Taxes Act 1988.

On behalf of the Board

.....
A. G. Amos
Director

Registered Office
Cheapside Works,
Waltham,
Grimsby,
South Humberside

24 APRIL 1991

Auditors' Report to the Members of
THE EXPANDED PILING COMPANY LIMITED

We have audited the accounts on pages 3 to 10 in accordance with Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 29th August 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRIMSBY

24 April 1991



R.N. Store & Co.
Chartered Accountants

THE EXPANDED PILING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 29th AUGUST 1990

<u>Notes</u>	<u>1990</u>	<u>1989</u>
2 <u>Turnover</u>	13,017,476	13,605,884
Cost of sales	8,990,230	8,691,842
Gross profit	4,027,246	4,914,042
Administrative and selling expenses	1,467,701	1,313,217
3 <u>Operating Profit</u>	2,559,545	3,600,825
5 Interest receivable	911,583	420,371
6 Interest payable	(219) 911,364	- 420,371
<u>Profit on Ordinary Activities before Taxation</u>	3,470,909	4,021,196
7 Tax on profit on ordinary activities	1,259,316	1,429,853
<u>Profit on Ordinary Activities after Taxation</u>	2,211,593	2,591,343
8 Dividends	-	253,496
Retained profit for the year	2,211,593	2,337,847
Retained profit brought forward	5,208,530	2,870,683
<u>Retained Profit Carried Forward</u>	£7,420,123 =====	£5,208,530 =====

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 29th AUGUST 1990

	<u>1990</u>	<u>1989</u>
<u>Source of Funds</u>		
Profit on ordinary activities before taxation	3,470,909	4,021,196
Adjustment for items not involving the movement of funds:-		
Depreciation	467,339	217,654
Surplus on disposal of tangible fixed assets	(4,350)	(8,380)
	462,989	209,274
<u>Total Generated from Operations</u>	<u>3,933,898</u>	<u>4,230,470</u>
<u>Funds from Other Sources</u>		
Proceeds of disposal of tangible fixed assets	17,250	28,880
	<u>3,951,148</u>	<u>4,259,350</u>
<u>Application of Funds</u>		
Dividends paid	253,496	87,413
Purchase of tangible fixed assets	250,373	627,276
Taxation paid	2,086,943	447,708
	<u>2,590,812</u>	<u>1,162,397</u>
<u>Working Capital Increase</u>	<u>£1,360,336</u>	<u>£3,096,953</u>
	=====	=====
<u>Components of Increase in Working Capital</u>		
Stocks	7,384	5,501
Debtors	(1,192,048)	1,060,372
Creditors	459,364	(637,247)
	<u>(725,300)</u>	<u>428,626</u>
<u>Movements in Net Liquid Funds</u>		
Short term deposits	2,100,000	2,500,000
Cash at bank and in hand	8,979	60,014
Bank overdraft	(23,343)	108,313
	<u>2,085,636</u>	<u>2,668,327</u>
	<u>£1,360,336</u>	<u>£3,096,953</u>
	=====	=====

THE EXPANDED FILING COMPANY LIMITEDNOTES TO THE ACCOUNTS
at 29th AUGUST 19901. Accounting Policies(a) Accounting Convention

The accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Plant and equipment - over 4,5 or 8 years depending upon
classification

Motor vehicles - over 4 years.

Improvements to property - over 8 years.

(c) Stocks

Stocks are stated at the lower of cost and net realisable value as follows:-

Cost -

Raw materials - purchase cost on a first in first out basis

Work in progress - cost of direct materials and labour plus
attributable overheads based on normal level
of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal

(d) Deferred Taxation

Deferred taxation is provided by the liability method on all timing differences.

(e) Pension Costs

Pension costs are in respect of a defined contribution scheme, and are charged to profit and loss account as payments fall due.

2. Turnover

Turnover represents the value of work done, stated net of value added tax.

THE EXPANDED PILING COMPANY LIMITED

NOTES TO THE ACCOUNTS
at 29th AUGUST 1990

3	(a) <u>Operating Pr. fit</u>	<u>1990</u>	<u>1989</u>
	This is stated after charging:-	£	£
	Directors' remuneration (see below) Fees	529,228	541,302
	Other emoluments	15,008	13,130
	Auditors' remuneration	7,500	3,000
	Depreciation	467,339	217,654
	Hire of plant and machinery etc.	681,525	789,256
		=====	=====

During the year the directors revised their estimates of useful economic lives from 8 years to 5 years in respect of certain items of plant, and from 5 years to 4 years in respect of some vehicles.

In addition, two major items of plant proved unsuitable for their intended purpose and were written down to their estimated recoverable amounts. The effect of these measures has been to increase the depreciation charge for the year by £209,754.

(b) Directors' Remuneration: The emoluments of the chairman for the year, excluding pension contributions, were £70,000 (1989: £70,000), and of the highest paid director excluding pension contributions were £193,201 (1989: £198,067). The other directors' emoluments, excluding pension contributions fell within the following ranges:-

	<u>1990</u>	<u>1989</u>
	<u>No.</u>	<u>No.</u>
£ 0 - £ 5,000	1	1
£15,001 - £20,000	1	1
£115,001 - £120,000	1	1
£135,001 - £140,000	1	-
£140,001 - £145,000	-	1

(c) Senior Employees: The remuneration of the following number of senior employees fell within the ranges below:-

£70,001 - £75,000	1	-
£85,001 - £89,000	1	-
£90,001 - £95,000	-	2

THE EXPANDED PILING COMPANY LIMITED

NOTES TO THE ACCOUNTS
at 29th AUGUST 1990

	<u>1990</u>	<u>1989</u>
<u>4. Staff Costs</u>		
Wages and salaries	2,164,218	1,988,253
Social security costs	219,728	201,399
Other pension costs	33,082	24,700
	-----	-----
	£2,417,028	£2,214,352
	=====	=====

The average weekly number of employees during the period was:-

	<u>No</u>	<u>No</u>
	<u>117</u>	<u>98</u>
	===	==
<u>5. Interest Receivable</u>		
Bank deposit account	9,028	60,468
Fixed term deposits	902,555	359,903
	-----	-----
	£911,583	£420,371
	=====	=====
<u>6. Interest Payable</u>		
Bank overdraft	£219	£ -
	===	=====
<u>7. Tax on Profit on Ordinary Activities</u>		
Based on the profit for the year:-		
Corporation tax at 35% and 34% (1989: 35%)	1,329,069	1,393,509
Deferred taxation	(69,753)	20,769
	-----	-----
	1,259,316	1,414,278
	-----	-----
Taxation under provided in previous years:-		
Corporation tax	-	15,575
	-----	-----
	£1,259,316	£1,429,853
	=====	=====

<u>8. Dividends</u>		
Proposed final dividend	£ -	£253,496
	=====	=====

<u>9. Tangible Fixed Assets</u>				
	<u>Plant and</u>	<u>Motor</u>	<u>Improvements</u>	
	<u>Equipment</u>	<u>Vehicles</u>	<u>to Property</u>	<u>Total</u>
	-----	-----	-----	-----
Cost:-				
At 30.8.1989	1,754,409	515,495	25,160	2,295,064
Additions	41,147	79,576	129,650	250,373
Disposals	(16,136)	(36,338)	-	(52,474)
	-----	-----	-----	-----
At 29.8.1990	£1,779,420	£558,733	£154,810	£2,492,963
	=====	=====	=====	=====
Depreciation:-				
At 30.8.1989	1,077,171	237,281	86	1,314,538
Adjustment re: disposals	(16,136)	(23,438)	-	(39,574)
Charged during the year	349,199	113,130	5,010	467,339
	-----	-----	-----	-----
At 29.8.1990	£1,410,234	£326,973	£5,096	£1,742,303
	=====	=====	=====	=====
Net Book Value:-				
At 29.8.1990	£369,186	£231,760	£149,714	£750,660
	=====	=====	=====	=====

THE EXPANDED PILING COMPANY LIMITED

9

NOTES TO THE ACCOUNTS
at 29th AUGUST 1990

	<u>1990</u>	<u>1989</u>
10 <u>Stocks</u>		
Raw materials and consumables	37,944	57,930
Work in progress	65,883	38,513
	-----	-----
	£103,827	£96,443
	=====	=====
11 <u>Debtors</u>		
Trade debtors	2,343,505	3,294,546
Other debtors	94,489	322,601
Prepayments and accrued income	56,072	68,967
Advance corporation tax recoverable after more than one year	-	34,676
	-----	-----
	£2,494,066	£3,720,790
	=====	=====

Trade debtors includes £89,697 (1989:£182,042) which is receivable after more than one year.

12. <u>Creditors:</u> amounts falling due within one year		
Bank overdraft	136,117	112,774
Trade creditors	642,014	1,350,491
Current corporation tax	1,244,570	2,086,943
Other taxes and social security costs	260,480	71,547
Other creditors	539,333	595,772
Accruals	123,165	6,546
Proposed dividend	-	253,496
	-----	-----
	£2,945,679	£4,477,569
	=====	=====

The company's bankers have an unlimited debenture over the assets of the company, to secure any indebtedness.

13 Deferred Taxation
Deferred taxation provided in the accounts at 35% is as follows:-

Capital allowances in advance of depreciation	-	58,567
Short term timing differences	-	11,186
	-----	-----
	-	69,753
<u>Less:</u> Advance corporation tax recoverable on dividends	-	49,823
	-----	-----
	£ -	£19,930
	=====	=====

THE EXPANDED PILING COMPANY LIMITEDNOTES TO THE ACCOUNTS
at 29th AUGUST 199014 Share Capital

	Authorised 29.8.90 and 29.8.89 -----	Allotted, called up and fully paid 29.8.90 and 29.8.89 -----
	<u>No.</u>	<u>£</u>
Ordinary shares of £1 each	95,275	47,250
Preference shares of £1 each	4,725	-
	-----	-----
	No. 100,000	£47,250
	=====	=====

15 Interest of Auditors

A.S.E. Brown, a partner in R.N. Store & Co., the auditors to the company, was, until 2nd March 1990, a trustee of the Frank Smith Settlement which had a holding of 22,500 ordinary £1 shares in the company at 29th August 1990.

16. Contingent Liabilities

At the date of the balance sheet there were contract guarantees given by the company of £310,359 (1989: £448,634)

17. Capital Commitments

	<u>1990</u>	<u>1989</u>
Contracted	8,778	15,874
Authorised, not contracted	20,000	-
	-----	-----
	£28,778	£15,874
	=====	=====