

Registered Number 414814 England

Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Annual Report
for the year ended 31 March 2006



Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Annual Report
for the year ended 31 March 2006

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Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Directors, Officers and Advisors

Directors	H D O'Rourke H Waters M Blower P M Wainwright	
Secretary	C W McKenzie LLB, Solicitor	
Company Number	414814	
Registered Office	Bridge Place Anchor Boulevard Admirals Park Crossways Dartford Kent DA2 6SN	
Business Address	Cheapside Works Waltham Grimsby North East Lincolnshire DN37 0JD	
Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	
Bankers	Bank of Scotland New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN	Barclays Bank Plc 1 Churchill Place London E14 5HP
Solicitors	Nabarro Nathanson Lacon House Theobalds Road London WC1X 8RW	Kirkpatrick & Lockhart Nicholson Graham LLP 110 Cannon Street London EC4N 6AR
Insurance Consultants	Kerry London Limited Clare House Worton Road, Isleworth Middlesex TW7 6ER	

Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Directors' Report
for the year ended 31 March 2006

The directors present their annual report together with the audited financial statements of The Expanded Piling Company Limited for the year ended 31 March 2006.

Principal Activity

The principal activities of the company are contract piling and associated works.

Review of the Business

The company is a wholly owned subsidiary of R O'Rourke & Son Limited. The company changed its name from The Expanded Piling Company Limited to Expanded Piling Limited on 1 December 2005. The directors of Expanded Piling Limited are satisfied with the results of the year and are optimistic of future performance.

Turnover for the period was £28.4 million (2005: £24.1 million). The profit before taxation for the period was £3.3 million (2005: £2.7 million), and the profit attributable to shareholders after taxation was £3.5 million (2005: £2.5 million). Total capital and reserves of the company at 31 March 2006 were £8.3 million (2005: £4.8 million).

The directors do not propose the payment of a dividend for the period (2005: £ nil paid).

The directors of Laing O'Rourke Plc manage the group's risks at group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of Laing Limited's business. The principal risks and uncertainties of Laing O'Rourke Plc, which include those of the company, are discussed on page 24 of the group's annual report which does not form part of this report.

The directors of Laing O'Rourke Plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Laing Limited. The development, performance and position of the construction division of the Laing O'Rourke Plc Group, which include the company, is discussed on page 24 of the group's annual report which does not form part of this report.

Expanded Piling Limited
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Directors' Report
for the year ended 31 March 2006

Health, Safety and Welfare

The Group is committed to ensuring the health, safety and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

Employment Policy

The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Group's trading position and of any significant organisational changes. The Group treats each application for employment, training and promotion on merit. Full and fair consideration is given to both disabled and able-bodied applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work, and training is provided if necessary.

Payment of Creditors

While the company does not follow a formal code of practice, its policy for the period to 31 March 2007 for all suppliers is to agree terms of payment for each business transaction, to ensure that the supplier is aware of those terms, and to abide by the agreed terms of payment. The number of days billing outstanding to the company as at 31 March 2006 was 40 days (2005: 25 days).

Directors and their Interests

The current membership of the board is as set out on the directors, officers and advisors page. None of the directors has an interest in the shares of the company. Details of changes to the board are noted below:

H D O'Rourke	- appointed 2 May 2006
H Waters	- appointed 2 May 2006
P M Wainwright	- appointed 2 May 2006
R G O'Rourke	- resigned 2 May 2006
D A Johnson	- resigned 2 May 2006
B Dye	- resigned 2 May 2006

Expanded Piling Limited
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Directors' Report (continued)
for the year ended 31 March 2006

Statement of Directors' Responsibilities for the Annual Report

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a 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.

So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approval

This report was approved by the Board on 19 July 2006 and signed on its behalf by



P M Wainwright
Director

Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Independent Auditors' Report to the Members of
Expanded Piling Limited

We have audited the financial statements of Expanded Piling Limited. For the year ended 31 March 2006 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.

Respective responsibilities of directors and auditors

As described in the Statement in Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you, if in our opinion 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 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 judgements 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.

Expanded Piling Limited
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Independent Auditors' Report to the Members of
Expanded Piling Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 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.

PricewaterhouseCoopers UK

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

31/10/2006

Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Profit & Loss Account
for the year ended 31 March 2006

	Note	2006 £'000	2005 £'000
Turnover		28,402	24,089
Cost of sales		(24,373)	(19,973)
Gross profit		4,029	4,116
Administrative expenses		(733)	(1,495)
Operating profit		3,296	2,621
Interest receivable and similar income	2	15	47
Profit on ordinary activities before taxation	3	3,311	2,668
Taxation	5	213	(125)
Retained profit for the period		<u>3,524</u>	<u>2,543</u>

All items in the profit and loss account relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial period as stated above and their historical cost equivalents.

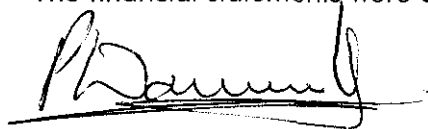
The company has no recognised gains and losses other than those shown above and therefore, no separate statement of total recognised gains and losses has been presented.

Expanded Piling Limited
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Balance Sheet
as at 31 March 2006

		2006		2005	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		666		680
			<u>666</u>		<u>680</u>
Current assets					
Stock and work in progress	7	-		25	
Debtors: amounts falling due					
within one year	8	9,721		3,743	
after more than one year	9	19		20	
		9,740		3,763	
Cash at Bank and in hand		2,037		4,171	
		<u>11,777</u>		<u>7,959</u>	
Creditors: amounts falling due					
within one year	10	(4,171)		(3,928)	
Net current assets			7,606		4,031
Total assets less current liabilities			<u>8,272</u>		<u>4,711</u>
Provisions for liabilities and charges	11		55		92
Net assets			<u>8,327</u>		<u>4,803</u>
Capital and reserves					
Called up share capital	12		48		48
Share premium account	13		84		84
Other reserves	13		5		5
Profit and loss reserve	13		8,190		4,666
Equity shareholders' funds	13		<u>8,327</u>		<u>4,803</u>

The financial statements were approved by the Board on 19 July 2006 and signed on its behalf by



P M Wainwright
Director

Expanded Piling Limited
(previously The Expanded Piling Company Limited)

Notes to Financial Statements
for the year ended 31 March 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

These financial statements are prepared in accordance with applicable accounting standards under the historical cost convention in accordance with reporting requirements of the Companies Act 1985. The company has consistently applied all relevant accounting standards.

1.2 Cash flow statement

The company has taken the FRS1 exemption not to prepare a cashflow statement as it is a wholly owned subsidiary of O'Rourke Investments Holdings (UK) Limited.

1.3 Turnover

Turnover represents amounts invoiced to customers, excluding value-added tax, except in respect of contracting activities where turnover represents the estimated sales value of work done in the year, including amounts not invoiced. All turnover is generated from the United Kingdom.

1.4 Profit recognition

Profit on contracting activities is recognised on a prudent basis as work progresses. Profit is calculated on an individual contract basis as the element of profit forecast at completion that can prudently be attributed to the proportion of work done at the year end. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

1.5 Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	- 50 years
Plant and machinery	- 4 to 8 years
Vehicles	- 4 years

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss accounts so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis as incurred.

Expanded Piling Limited
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Notes to Financial Statements
for the year ended 31 March 2006

1 ACCOUNTING POLICIES (Cont'd.)

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, direct and sub-contract labour and attributable production overheads.

1.8 Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Where such amounts have been received and exceed amounts recoverable, the net amounts are included in creditors as payments on account.

1.9 Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences in the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

In accordance with FRS19 deferred tax is not provided for: revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over; extra tax payable if the overseas retained profits of subsidiaries and joint ventures are remitted in future; fair value adjustments gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made.

1.10 Foreign currencies

Transactions denominated in foreign currencies are recorded at the exchange rates in effect when they take place. Resulting foreign currency denominated assets and liabilities are re-translated at the exchange rates ruling at the balance sheet date unless they are covered by forward foreign exchange contracts, in which case the contract rates are used. Exchange differences arising from foreign currency transactions are reflected in the profit and loss account.

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Notes to Financial Statements
for the year ended 31 March 2006

2 Interest receivable and similar income

	2006	2005
	£'000	£'000
Bank interest	15	47
	<u>15</u>	<u>47</u>

3 Profit on ordinary activities before taxation

Profit before taxation is stated after charging:

Depreciation of tangible assets	14	349
Hire of plant and machinery	<u>210</u>	<u>946</u>

The audit fee and other administrative expenses of the company together with those of certain other R O'Rourke & Son Limited subsidiaries have been recorded in Laing O'Rourke Services Limited and recharged to the relevant companies at the year end via a management charge.

4 Employees and Directors

The company has no employees. All of the directors and staff working on the company's contracts are employed by a fellow subsidiary undertaking, Laing O'Rourke Services Limited. Costs for staff and directors are recharged on the basis of time spent on the company's contracts and these costs are included in cost of sales or administrative expenses as appropriate.

Expanded Piling Limited
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Notes to Financial Statements
for the year ended 31 March 2006

5 Taxation

	2006	2005
	£'000	£'000
United Kingdom corporation tax		
Current tax on income for the period	-	252
Adjustments in respect of prior periods	(249)	(4)
Current taxation	(249)	248
Deferred taxation		
Net origination/(reversal) of timing differences	36	(123)
Adjustments in respect of prior periods	-	-
Tax on profit on ordinary activities	<u>(213)</u>	<u>125</u>

The tax for the year is lower (2005: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Current tax reconciliation

Profit on ordinary activities before tax	<u>3,311</u>	<u>2,668</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	993	800
<i>Effects of :</i>		
- accelerated capital allowances	4	-
- other timing differences	(11)	78
- expenditure that is not tax deductible	-	4
- Group relief claimed	(986)	(630)
- adjustments in respect of prior periods	(249)	(4)
Actual current taxation charge	<u>(249)</u>	<u>248</u>

Expanded Piling Limited
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Notes to Financial Statements
for the year ended 31 March 2006

6 Tangible fixed assets

	Freehold Land & Buildings	Vehicles, Plant and Machinery	Total
Cost/ valuation	£'000	£'000	£'000
At 1 April 2005	700	5	705
At 31 March 2006	700	5	705
Depreciation			
At 1 April 2005	22	3	25
Charge for the period	13	1	14
At 31 March 2006	35	4	39
Net book values			
At 31 March 2006	665	1	666
At 31 March 2005	678	2	680

There are no tangible fixed assets held under finance leases or hire purchase contracts

7 Stock and work in progress

	2006 £'000	2005 £'000
Raw materials and consumables	-	25

8 Debtors: amounts falling due within one year

Trade debtors	1,038	447
Amounts recoverable on long-term contracts	3,747	1,549
Amounts owed by group undertakings	4,936	1,747
	9,721	3,743

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Expanded Piling Limited
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Notes to Financial Statements
for the year ended 31 March 2006

9 Debtors: amounts falling due after more than one year

	2006	2005
	£'000	£'000
Amounts recoverable on long-term contracts	19	20
	<u>19</u>	<u>20</u>

10 Creditors : amounts falling due within one year

Payments on account	245	278
Trade and subcontractor creditors	2,319	2,134
Corporation tax	1	250
Other taxes and social security costs	23	-
Subcontractor accruals and retentions	1,583	1,266
	<u>4,171</u>	<u>3,928</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

Expanded Piling Limited
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Notes to Financial Statements
for the year ended 31 March 2006

11 Provisions for liabilities and charges

	2006	2005
	£'000	£'000
Deferred taxation		
At 1 April 2005	(92)	32
Transferred to profit and loss account	37	(124)
At 31 March 2006	<u>(55)</u>	<u>(92)</u>
 Deferred tax comprises:		
Accelerated capital allowances	<u>(55)</u>	<u>(92)</u>
	<u>(55)</u>	<u>(92)</u>

12 Share capital

Authorised equity		
95,275 ordinary shares of £1 each	95	95
4,725 preference shares of £1 each	5	5
	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid equity		
47,830 ordinary shares of £1 each	<u>48</u>	<u>48</u>

Expanded Piling Limited
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Notes to Financial Statements
for the year ended 31 March 2006

13 Reconciliation of movements in equity shareholders' funds

	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss reserve £'000	Total 2006 £'000	Total 2005 £'000
Opening shareholders' funds	48	84	5	4,666	4,803	2,260
Profit for the year	-	-	-	3,524	3,524	2,543
Closing shareholders' funds	48	84	5	8,190	8,327	4,803

14 Related party transactions

As a wholly owned subsidiary of O'Rourke Investments Holdings (UK) Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the O'Rourke Investments Holdings (UK) Group.

15 Ultimate parent undertaking

The immediate parent company of Expanded Piling Limited is R O'Rourke & Son Limited. The parent company of R O'Rourke & Son Limited is Laing O'Rourke Plc, a company registered in England and Wales. Copies of consolidated parent company accounts are available from the Registrar of Companies on payment of the appropriate fee. O'Rourke Investments Holdings (UK) Limited is the parent company of Laing O'Rourke Plc and is the largest group of undertakings for which group accounts are prepared.

The ultimate parent company of R O'Rourke & Son Limited is Suffolk Partners Corporation, a company incorporated in the British Virgin Islands. The interests in the share capital of Suffolk Partners Corporation are held in trusts, the beneficiaries of which are R G O'Rourke, H D O'Rourke and B A Dempsey.