

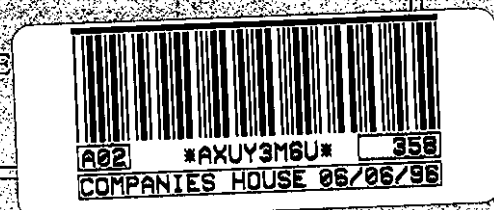
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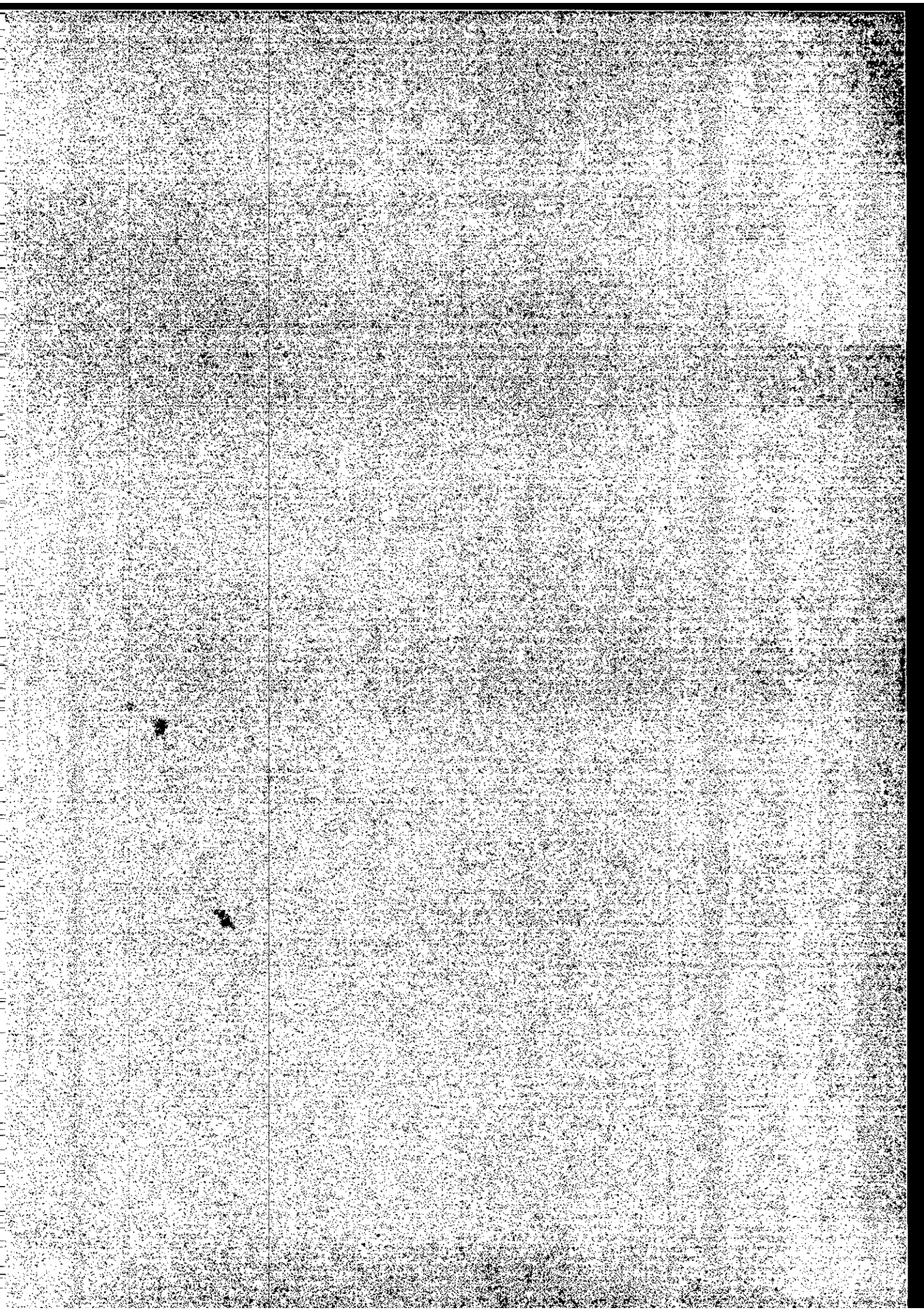
THE REGISTRAR OF COMPANIES

KENTON UTILITIES & DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1995

ROBERT MILLER TATE
Chartered Accountants
NEWCASTLE UPON TYNE





KENTON UTILITIES & DEVELOPMENTS LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their annual report and audited financial statements of the group and of the company for the year ended 30 September 1995.

Directors

The directors during the year and their interests, including family interests, were :-

	Number of Shares Held	
	1.10.1994	30.9.1995
Mrs K Grogan	6,989	6,989
Mr J P Leonard	5,770	5,770
Mr E O'Hara	-	-
Mr A N Conway	-	-
Mr C J M McKernan	-	-
Mr D Cummins	-	-
Mrs C Gowland	3,060	3,060
Miss C Grogan	3,060	3,060
Mrs E Bassarab	3,061	3,061

None of the directors held a beneficial interest in the shares of other group companies.

Review of the Business

The principal activity of the group continues to be that of utility works contracting and plant hire.

The results of the group for the year are set out in the profit and loss account on page 6.

The directors have paid an interim dividend amounting to £350,000. No final dividend is proposed.

The state of the group and company's affairs at the date of the balance sheet was satisfactory.

Fixed Assets

Changes in the fixed assets of the group and company during the financial year are shown in note 2 to the financial statements.

Properties shown in the financial statements at £301,296 have in the opinion of the directors a market value of approximately £900,000.

Charitable Donations

Charitable donations during the year amounted to £5,970 (1994 £5,345).

Employment Policy

The company continues to give full and fair consideration to applications for employment made by disabled persons.

Directors' Responsibilities

Company law 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 and loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Contd

KENTON UTILITIES & DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Close Company

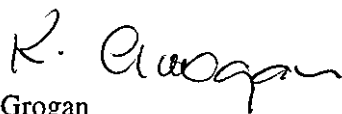
The company is a close company within the meaning of section 414 of the Income and Corporation Taxes Act 1988

The company has no interest in its own shares.

Auditors

Robert Miller Tate, the present auditors, offer themselves for re-appointment pursuant to section 385 of the Companies Act 1985.

SIGNED BY ORDER OF THE BOARD



K Grogan
Secretary

5 June 1996

KENTON UTILITIES & DEVELOPMENTS LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
KENTON UTILITIES & DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 circumstances of the Company and of the Group, 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 misstatements, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 30 September 1995 and of the Group's profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ROBERT MILLER TATE
Registered Auditors

3 Portland Terrace
Newcastle upon Tyne
NE2 1QQ

5 June 1996

KENTON UTILITIES & DEVELOPMENTS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 1995

	Notes	1995	1994
FIXED ASSETS			
Tangible Assets	2	1,983,956	1,739,913
Investment in associated company	3	-	(35,520)
Investments	3	<u>10</u>	<u>10</u>
		1,983,966	1,704,403
CURRENT ASSETS			
Consumables and Loose Tools		150,000	150,000
Stocks and Work in Progress	4	835,725	985,082
Debtors	5	4,285,032	2,608,957
Amounts owed by associated undertaking		-	49,999
Cash at Bank and in Hand		<u>1,097,305</u>	<u>105,987</u>
		<u>6,368,062</u>	<u>3,900,025</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank Overdraft	6	68,956	211,186
Trade Creditors		2,242,924	1,577,515
Corporation Tax		795,313	69,616
Other Taxes and Social Security Costs		905,268	471,160
Hire Purchase Creditor		162,757	248,366
Proposed Dividend		-	25,000
Accruals		<u>378,017</u>	<u>185,309</u>
		<u>4,553,235</u>	<u>2,788,152</u>
NET CURRENT ASSETS		<u>1,814,827</u>	<u>1,111,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,798,793	2,816,276
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Hire Purchase Creditor	7	(125,744)	(280,729)
PROVISION FOR LIABILITIES AND CHARGES	8	<u>(13,192)</u>	<u>(10,933)</u>
CAPITAL AND RESERVES		<u>£3,659,857</u>	<u>£2,524,614</u>
Called up Share Capital	9	25,000	25,000
Capital Reserve arising on Consolidation		450	450
Profit and Loss Account		<u>3,634,407</u>	<u>2,499,164</u>
		<u>£3,659,857</u>	<u>£2,524,614</u>

Approved by the Board on 5 June 1996
and signed on their behalf

J P Leonard - Director

A N Conway - Director

The notes on pages 8 to 16 form part of these financial statements.

KENTON UTILITIES & DEVELOPMENTS LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 1995

	Notes	1995	1994
FIXED ASSETS			
Tangible Assets	2	1,722,032	1,518,734
Investments	3	<u>1,152</u>	<u>1,151</u>
		1,723,184	1,519,885
CURRENT ASSETS			
Consumables and Loose Tools		150,000	150,000
Work in Progress	4	797,616	943,220
Debtors	5	3,698,051	1,729,279
Amounts owed by subsidiary undertakings		373,634	265,989
Amounts owed by associated undertaking		-	49,999
Cash at Bank and in Hand		<u>991,521</u>	<u>3,000</u>
		6,010,822	3,141,487
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank Overdraft	6	-	159,817
Trade Creditors		1,686,834	805,427
Amounts due to Subsidiary Undertakings		566,727	413,565
Corporation Tax		760,205	-
Other Taxes and Social Security Costs		824,212	357,919
Hire Purchase Creditor		162,757	248,366
Proposed Dividend		-	25,000
Accruals		<u>360,000</u>	<u>168,532</u>
		4,360,735	2,178,626
NET CURRENT ASSETS		<u>1,650,087</u>	<u>962,861</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,373,271	2,482,746
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Hire Purchase Creditor		(125,744)	(280,729)
PROVISION FOR LIABILITIES AND CHARGES	8	<u>(23,317)</u>	<u>(14,381)</u>
CAPITAL AND RESERVES		<u>£3,224,210</u>	<u>£2,187,636</u>
Called up Share Capital	9	25,000	25,000
Profit and Loss Account		<u>3,199,210</u>	<u>2,162,636</u>
		<u>£3,224,210</u>	<u>£2,187,636</u>

Approved by the Board on 5 June 1996
and signed on their behalf

J P Leonard - Director

A N Conway - Director

The notes on pages 8 to 16 form part of these financial statements.

KENTON UTILITIES & DEVELOPMENTS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1995

	Notes	1995	1994
TURNOVER	10	<u>22,169,101</u>	<u>11,088,220</u>
Change in Stocks and Work in Progress		150,919	(315,076)
Other Operating Income	11	(44,378)	(48,029)
Materials and Consumables		4,542,905	1,947,530
Other External Charges		2,099,447	1,497,234
Staff Costs	12	7,540,176	4,898,901
Depreciation		468,660	320,929
Auditors' Remuneration		21,260	18,371
Company Pension Scheme Contributions		26,252	9,649
Directors' Remuneration	13	770,646	283,068
Hire of Plant and Machinery		2,606,057	1,267,928
Other Operating Charges		<u>1,730,579</u>	<u>994,838</u>
		<u>19,912,523</u>	<u>10,875,343</u>
OPERATING PROFIT		2,256,578	212,877
Interest Received		88,067	8,051
Interest Payable		<u>(48,979)</u>	<u>(25,675)</u>
		<u>39,088</u>	<u>17,624</u>
		2,295,666	195,253
Share of loss of associated undertaking	3	-	(35,521)
Amounts written off associated undertaking		<u>(14,479)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,281,187	159,732
Tax on Ordinary Activities	16	<u>795,944</u>	<u>108,474</u>
PROFIT FOR THE FINANCIAL YEAR		1,485,243	51,258
Dividends	17	<u>350,000</u>	<u>25,000</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		1,135,243	26,258
Balance brought forward		<u>2,499,164</u>	<u>2,472,906</u>
RETAINED PROFIT CARRIED FORWARD		<u>£3,634,407</u>	<u>£2,499,164</u>

The amount of profit for the financial year dealt within the profit and loss account of the parent company is £1,386,574.

None of the group's activities were acquired or discontinued during the above two financial years.

The group has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

KENTON UTILITIES AND DEVELOPMENTS LIMITED

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1995

	Notes	1995	1994
OPERATING ACTIVITIES			
Cash received from customers		20,528,273	10,205,456
Cash payments to suppliers		(5,976,943)	(2,881,269)
Cash paid to and on behalf of employees		(8,311,545)	(5,121,509)
Other cash payments		<u>(3,803,806)</u>	<u>(2,063,885)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	2,435,979	138,793
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		88,067	8,051
Interest paid		(48,979)	(25,675)
Dividends paid		<u>(375,000)</u>	<u>(50,000)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(335,912)	(67,624)
TAXATION			
UK Corporation Tax (repaid)/paid		(12,713)	8,860
Overseas tax paid		<u>48,953</u>	<u>7,163</u>
Tax Paid		(36,240)	(16,023)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		799,868	304,656
Sale of plant and machinery		(111,839)	(107,611)
Retranslation of opening balances		1,656	(8,471)
Purchase of associated undertaking		-	1
Loan to associated undertaking		<u>-</u>	<u>49,999</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(689,685)</u>	<u>(238,574)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>£1,374,142</u>	<u>£ (183,428)</u>
FINANCING			
Capital element of hire purchase creditor		240,594	256,873
Increase/(Decrease) in cash and cash equivalents	22	<u>1,133,548</u>	<u>(440,301)</u>
		<u>£1,374,142</u>	<u>£ (183,428)</u>

The notes on pages 8 to 16 form part of these financial statements.

KENTON UTILITIES & DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below:

a) Basis of Accounting

The accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

b) Basis of Consolidation

The group financial statements consolidate those of Kenton Utilities and Developments Ltd and all its subsidiary undertakings made up to 30 September 1995. The acquisition method of accounting has been adopted.

No separate profit and loss account is presented for the company in accordance with the exemption conferred by Section 230 of the Companies Act 1985.

c) Depreciation

Depreciation is provided on tangible fixed assets in order to write off their full cost over their anticipated period of usefulness as follows:-

Vans	- 4 years
Trucks	- 5 years
Cars	- 4 years
Plant and Machinery	- 5 years
Fixtures and Fittings	- 10 years
Buildings	- 100 years

d) Consumables and Loose Tools

Consumables and loose tools are written off as revenue expenditure in the year in which they are acquired. The directors are of the opinion that the cost value of base stock at the year end is below its net realisable value.

e) Stocks and Work in Progress

Works which have reached completion are valued at the amounts due under the relevant contracts.

Uncompleted works are stated at the lower of cost (including an appropriate proportion of overheads) and net realisable value; net realisable value being the amount due for work done at the Balance Sheet date less any costs in excess of further amounts due for work subsequently carried out to completion.

Stocks of materials are stated at the lower of purchase price and net realisable value.

f) Deferred Taxation

Deferred taxation is provided on the book value of fixed assets (other than freehold land and buildings) in excess of their tax written down value and on other timing differences so as to attribute the ultimate tax effect to profits, gains and losses, as they actually arise.

KENTON UTILITIES & DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

g) Translation of Foreign Currency

The rates of exchange ruling at the year end are used to translate overseas currency into sterling. All exchange differences either through transactions or consolidation of overseas subsidiary are included in the group trading results.

h) Assets Held under Hire Purchase Contracts

Assets used by the company which have been purchased through hire purchase contracts are capitalised and the resulting obligation included in creditors. Interest payable on the contracts is charged to the profit and loss account on a straight line basis over the term of the contracts.

i) Pensions

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. The net contributions are invested separately from the company's assets.

2. TANGIBLE FIXED ASSETS

GROUP	Total	Freehold Land & Buildings	Motor Vehicles	Plant & Fixtures
Cost				
At 1 October 1994	4,082,195	318,734	2,317,420	1,446,041
Retranslation of Opening Balances	3,526	-	1,587	1,939
Additions	799,868	-	669,284	130,584
Disposals	<u>(305,669)</u>	<u>-</u>	<u>(236,509)</u>	<u>(69,160)</u>
At 30 September 1995	<u>4,579,920</u>	<u>318,734</u>	<u>2,751,782</u>	<u>1,509,404</u>
Depreciation				
At 1 October 1994	2,342,282	15,955	1,054,764	1,271,563
Retranslation of Opening Balances	1,870	-	1,018	852
Charge for Year	468,660	1,483	387,723	79,454
Disposals	<u>(216,848)</u>	<u>-</u>	<u>(148,836)</u>	<u>(68,012)</u>
At 30 September 1995	<u>2,595,964</u>	<u>17,438</u>	<u>1,294,669</u>	<u>1,283,857</u>
Net Book Value				
At 30 September 1995	<u>£1,983,956</u>	<u>£ 301,296</u>	<u>£1,457,113</u>	<u>£ 225,547</u>
At 30 September 1994	<u>£1,739,913</u>	<u>£ 302,779</u>	<u>£1,262,656</u>	<u>£ 174,478</u>
COMPANY				
Cost				
At 1 October 1994	3,345,759	318,734	1,849,626	1,177,399
Additions	659,288	-	566,798	92,490
Disposals	<u>(272,352)</u>	<u>-</u>	<u>(222,137)</u>	<u>(50,215)</u>
At 30 September 1995	<u>3,732,695</u>	<u>318,734</u>	<u>2,194,287</u>	<u>1,219,674</u>

KENTON UTILITIES & DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. TANGIBLE FIXED ASSETS (Continued)

COMPANY	Total	Freehold Land & Buildings	Motor Vehicles	Plant & Fixtures
Depreciation				
At 1 October 1994	1,827,025	15,955	753,014	1,058,056
Charge for Year	370,985	1,483	314,423	55,079
Disposals	<u>(187,347)</u>	<u>-</u>	<u>(137,139)</u>	<u>(50,208)</u>
At 30 September 1995	<u>2,010,663</u>	<u>17,438</u>	<u>930,298</u>	<u>1,062,927</u>
Net Book Value				
At 30 September 1995	<u>£1,722,032</u>	<u>£ 301,296</u>	<u>£1,263,989</u>	<u>£ 156,747</u>
At 30 September 1994	<u>£1,518,734</u>	<u>£ 302,779</u>	<u>£1,096,612</u>	<u>£ 119,343</u>

Assets held under Hire Purchase Agreements (Company and Group)

Motor Vehicle	1995	1994
Depreciation charge	<u>£ 97,805</u>	<u>£ 83,658</u>
Net Book Value	<u>£ 311,061</u>	<u>£ 732,231</u>

Net obligations under hire purchase contracts are secured on the assets acquired.

3. INVESTMENTS

	Group 1995	Group 1994	Company 1995	Company 1994
A) GROUP UNDERTAKINGS				
Shares in subsidiary undertaking at cost	-	-	1,142	1,140
Shares in associated undertaking at cost	-	-	-	1
Other unlisted investments	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
	<u>£ 10</u>	<u>£ 10</u>	<u>£ 1,152</u>	<u>£ 1,151</u>

Subsidiary Companies:

The cost of shares held in subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Type of Shares	Proportion of Shares and Votes Held %	Cost £	Nature of Business
Helgar (Plant Hire) Ltd	England	£1 Ordinary	100	50	Plant hire
Kenton Utilities and Developments (Ireland) Ltd	Republic of Ireland	IR£1 Ordinary	100	90	Utility works contracting
McNally Engineering Ltd	England	£1 Ordinary	100	500	Dormant
Kenton Aviation Ltd	England	£1 ordinary	100	500	Dormant
Kenton Construction Ltd	Ireland	IR£1 Ordinary	100	2	Dormant

Helgar (Plant Hire) Ltd owns the whole share capital of Ovatum Finance Ltd, a company incorporated in England, which did not trade during the year.

All of the subsidiary undertakings listed above are included in the consolidation.

KENTON UTILITIES & DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. INVESTMENTS (CONTINUED)

B) ASSOCIATED UNDERTAKINGS

Share of net assets of associated undertaking:	£
At 1 October 1994	(35,520)
Amounts written off	<u>(35,520)</u>

Share of post-acquisition reserves of associated undertaking:	
At 1 October 1994	(35,521)
Amounts written off	<u>(35,521)</u>

Associated Undertaking:

Name of Company	Country of Incorporation	Type of Shares	Proportion of Shares and Votes Held %	Nature of Business
Consplit Ltd	England	£1 Ordinary	50	Dormant

The investment in and the amounts due from the associated undertaking have been written off because the directors consider the investment has no value and the amounts due are no longer recoverable.

C) ACQUISITIONS

During the year the company paid IR£2 cash for the holding in the subsidiary undertaking Kenton Construction Ltd. The book value of the net assets acquired was IR£2.

4. STOCKS AND WORK IN PROGRESS

	1995	Group 1994	1995	Company 1994
Materials	38,109	41,862	-	-
Work in Progress	<u>797,616</u>	<u>943,220</u>	<u>797,616</u>	<u>943,220</u>
	£ <u>835,725</u>	£ <u>985,082</u>	£ <u>797,616</u>	£ <u>943,220</u>

The effect of retranslating opening stock of raw materials and consumables gives rise to a decrease in value of £1,562 (1994 - £(100)).

5. DEBTORS

	1995	Group 1994	1995	Company 1994
Trade Debtors	4,032,921	2,389,021	3,553,893	1,601,371
Other Debtors	153,449	103,145	125,519	91,759
Prepayments	<u>98,662</u>	<u>116,791</u>	<u>18,639</u>	<u>36,149</u>
	£ <u>4,285,032</u>	£ <u>2,608,957</u>	£ <u>3,698,051</u>	£ <u>1,729,279</u>

All debts fall due within one year.

KENTON UTILITIES & DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. BANK OVERDRAFT

The Bank Overdraft is secured by an unlimited debenture over all of the company's assets and an unlimited guarantee by its subsidiary, Helgar (Plant Hire) Limited, in favour of Lloyds Bank plc.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	1995	1994
Hire purchase agreements	£ 125,744	£ 280,729

The groups obligations under hire purchase agreements are repayable as follows:

	1995	1994
Within one year	162,757	248,366
In the second to third year	100,650	154,985
In the third to fifth year	25,094	125,744
	£ 288,501	£ 529,095

8. PROVISION FOR LIABILITIES AND CHARGES

Deferred Taxation	Group		Company	
	1995	1994	1995	1994
Excess of Capital Allowances over Depreciation	72,901	70,642	83,026	74,090
Other Timing Differences	(59,709)	(59,709)	(59,709)	(59,709)
	£ 13,192	£ 10,933	£ 23,317	£ 14,381

Provision has been made in full for all timing differences.

Movement in the year (Group only):

Balance at 1 October 1994	10,933
Transfer to Profit and Loss Account	2,259
Balance at 30 September 1995	£ 13,192

9. SHARE CAPITAL

Equity Interests:

	1995	1994
Authorised, Issued and Fully Paid 25,000 Ordinary Shares of £1 each	£ 25,000	£ 25,000

10. TURNOVER

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets. All sales are attributable to the company's principal activity. The analysis of turnover by geographical areas is as follows:

	1995	1994
United Kingdom	19,567,636	9,390,535
Republic of Ireland	2,601,465	1,697,685
	£22,169,101	£11,088,220

KENTON UTILITIES & DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. OTHER OPERATING INCOME	1995	1994
Rents Receivable	19,000	12,000
Profit on Sale of Fixed Assets	23,018	29,386
Foreign Exchange Gain	<u>2,360</u>	<u>6,643</u>
	<u>£ 44,378</u>	<u>£ 48,029</u>

12. STAFF COSTS

Staff costs, excluding directors' remuneration (note 13) were as follows:

	1995	1994
Wages and Salaries	6,815,122	4,438,028
Social Security Costs	725,054	460,873
Pension Contributions	<u>1,774</u>	<u>-</u>
	<u>£7,541,950</u>	<u>£ 4,898,901</u>

The weekly average number of employees during the year, excluding directors, was 420 (1994: 317) made up as follows:

	No.	No.
Office, Administration and Management	51	44
Construction	<u>369</u>	<u>273</u>
	<u>420</u>	<u>317</u>

13. DIRECTORS' REMUNERATION

	1995	1994
Emoluments for services as director	770,646	283,068
Pension contributions	<u>24,478</u>	<u>9,649</u>
	<u>£ 795,124</u>	<u>£ 292,717</u>
Chairman and Highest Paid Director	<u>£ 226,388</u>	<u>£ 67,395</u>

Number of other directors in each category of remuneration (excluding pension contributions) was as follows:

	No.	No.
£ 0 - £ 5,000	3	3
£10,001 - £15,000	1	1
£35,001 - £40,000	1	1
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
£55,001 - £60,000	-	2
£220,001 - £225,000	2	-

14. INTEREST RECEIVABLE	1995	1994
Deposit Account Interest	<u>£ 88,067</u>	<u>£ 8,051</u>

KENTON UTILITIES & DEVELOPMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. INTEREST PAYABLE	1995	1994
On Hire Purchase Contracts	31,058	20,907
On Bank Overdraft	7,378	3,116
Other Interest	<u>10,543</u>	<u>1,652</u>
	<u>£ 48,979</u>	<u>£ 25,675</u>

16. TAX ON ORDINARY ACTIVITIES	1995	1994
Based on Results for the Year:		
UK Corporation Taxation at 32.7% (1994 - 26.8%)	782,894	21,155
Irish Corporation Taxation at 39% (1994 - 40%)	5,530	48,461
Underprovision in Previous Year	5,261	1,932
Deferred Taxation charged	<u>2,259</u>	<u>36,926</u>
	<u>£ 795,944</u>	<u>£ 108,474</u>

17. DIVIDENDS	1995	1994
Equity interests:		
Interim dividend of £14 per share paid	350,000	-
Proposed dividend (1994: £1.00)	<u>-</u>	<u>25,000</u>
	<u>£ 350,000</u>	<u>£ 25,000</u>

18. CONTINGENT LIABILITIES

The company is a guarantor to the bank for the indebtedness of its subsidiary companies as follows:

	Limit
Helgar (Plant Hire) Limited	Unlimited
McNally Engineering Limited	Unlimited
Kenton Aviation Limited	Unlimited

At 30 September 1995 the total group exposure totalled £68,956 (1994 £211,186).

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1995	1994
Profit for the Financial Year	1,485,243	51,258
Dividends	<u>(350,000)</u>	<u>(25,000)</u>
Retained Profit for the Financial Year	1,135,243	26,258
Opening Shareholders Funds	<u>2,524,614</u>	<u>2,498,356</u>
Closing Shareholders Funds	<u>£3,659,857</u>	<u>£2,524,614</u>
Represented by:		
Equity Interests	<u>£3,659,857</u>	<u>£2,524,614</u>

KENTON UTILITIES & DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995	1994
Operating Profit	2,256,578	212,877
Depreciation Charge	468,660	320,929
Profit on Sale of Tangible Fixed Assets	(23,018)	(29,386)
Decrease/(Increase) in Stock and Work in Progress	149,357	(315,176)
Increase in Debtors	(1,632,823)	(885,913)
Increase in Creditors	<u>1,217,225</u>	<u>835,462</u>
	<u>£2,435,979</u>	<u>£ 138,793</u>

21. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995	1994
Balance at 1 October 1994	(105,199)	335,102
Net cash inflow	<u>1,133,548</u>	<u>(440,301)</u>
Balance at 30 September 1995	<u>£1,028,349</u>	<u>£ (105,199)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995	1994	In year
Cash at bank and in hand	1,097,305	105,987	991,318
Bank overdrafts	<u>(68,956)</u>	<u>(211,186)</u>	<u>142,230</u>
	<u>£1,028,349</u>	<u>£ (105,199)</u>	<u>£1,133,548</u>

23. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Hire Purchase Obligations	
	1995	1994
Balance at 1 October 1994	529,095	106,505
Cash outflow from financing	(240,594)	(256,873)
Inception of hire purchase contracts	<u>-</u>	<u>679,463</u>
Balance at 30 September 1995	<u>£ 288,501</u>	<u>£ 529,095</u>

KENTON UTILITIES & DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. PENSION COMMITMENTS

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group, being invested with an insurance company. Contributions to the Scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. Contributions to the Scheme are determined by a qualified actuary employed by the insurance company on the basis of triennial valuations using the projected unit method.

The Scheme commenced on 17 August 1995 and no valuations have been made.

In calculating contributions into the Scheme it has been assumed that the investment returns would be 9% per annum, that salary increases would average 7% per annum, and that present and future pensions would increase at the rate of 4%.

The pension charge for the year being the contributions incurred, was £1,774 (1994 - Nil).

Contributions of employees is 6% of earnings with the company contributing the balance to fully fund the Scheme.