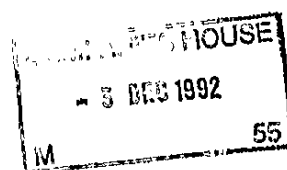


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A. & J. BULL (HOLDINGS) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 1992



FRASER & RUSSELL  
Chartered Accountants  
4 London Wall Buildings  
LONDON EC2M 5NT

A. & J. BULL (HOLDINGS) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 1992

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Notes to the Financial Statements	8 to 22

FRASER & RUSSELL  
Chartered Accountants  
4 London Wall Buildings  
LONDON EC2M 5NT

A. & J. BULL (HOLDINGS) LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 31ST JULY 1992

The Directors have pleasure in submitting their Annual Report together with the Audited Financial Statements of the Group for the year ended 31st July 1992.

RESULTS AND DIVIDENDS

The Loss for the year after taxation, minority interest and extraordinary items, amounted to £115,130.

The directors do not recommend the payment of a final dividend.

REVIEW OF THE BUSINESS

The Group's activities are those of Haulage Contractors, Pollution Control Operators, Quarrying and Merchanting of Sand and Gravel, Builders Merchants, Plant Hire, Demolition and Civil Engineering Contractors. The Directors consider that these form a single integrated activity.

The Directors consider the overall level of activity of the Group to be satisfactory when considered in the light of prevailing economic conditions. The directors are of the opinion that the year end financial situation is satisfactory and the Group well placed for improved performance in the coming year.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company throughout the period, together with the particulars of their interests in the shares of the Company, were as follows:

		<u>£1 Ordinary Shares</u>	
		<u>31.7.92</u>	<u>31.7.91</u>
T.G. Mills	(Chairman)	185,385	185,385
S.T. Mills		-	-
K.C. Cartwright		-	-
P.J. Scarborough		-	-
D.A. Sherwin		-	-
T.F. Moxon		-	-
M.K. Foreman		-	-
T.J. Kenfold		-	-

SUBSTANTIAL SHAREHOLDINGS

Attwoods Plc own 5.1% of the total shares in issue.

A. & J. BULL (HOLDINGS) LIMITEDREPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

TANGIBLE FIXED ASSETS

The movements to Fixed Assets are shown in Note 15 to the Financial Statements.

EMPLOYMENT OF DISABLED PERSONS

It is the Group's practice to facilitate the employment of disabled persons and provide, whenever possible, opportunities for training, career development and promotion. Where employees become disabled whilst in the service of the Group, every effort is made to rehabilitate them in their former jobs or some other suitable alternative, and to provide appropriate training and specialist advice.

EMPLOYEE INVOLVEMENT

It is the Group policy to operate through individual company trading units. This structure encourages and facilitates the involvement of all staff in their own company's activities and development.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Messrs. Fraser & Russell, Chartered Accountants and Registered Auditor, as Auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

  
Secretary

Registered Office:  
4 London Wall Buildings  
LONDON EC2M 5NT

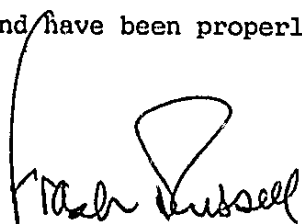
Dated: 20th November 1992

REPORT OF THE AUDITORS TO THE MEMBERS OF

A. & J. BULL (HOLDINGS) LIMITED

We have audited the Financial Statements set out on pages 4 to 22 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company and the Group at 31st July 1992 and of the results and Cash Flow of the Group for the year ended on that date, and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
and Registered Auditor

4 London Wall Buildings  
LONDON EC2M 5NT

Dated:

28 November 1992

A. & J. BULL (HOLDINGS) LIMITED  
AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST JULY 1992

	Notes	£	£	£	7 Months to 31.7.91 £
<u>TURNOVER</u>	2		16,258,617		11,140,886
<u>COST OF SALES</u>			(13,420,422)		(9,346,927)
<u>GROSS PROFIT</u>			2,838,195		1,793,959
Administrative Expenses			(1,888,233)		(1,014,922)
Income from Participating Interests			949,962		779,037
Other Operating Income			318,431		93,760
			62,150		17,343
<u>OPERATING PROFIT</u>	3		1,330,543		890,140
Investment Income	6		12,290		7,437
Interest Payable	7		(1,291,868)		(671,625)
Interest Receivable	8		9,124		3,080
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			60,089		229,032
Taxation	9		(114,411)		138,858
<u>PROFIT FOR THE YEAR BEFORE EXTRAORDINARY ITEMS</u>			174,500		90,174
Minority Interest	10		(129,630)		15,862
<u>PROFIT ATTRIBUTABLE TO PARENT COMPANY</u>			44,870		106,036
Extraordinary Item	11		(160,000)		(228,609)
<u>LOSS FOR THE YEAR</u>	12		(115,130)		(122,573)
Dividends	13		-		(994,000)
<u>RETAINED LOSS FOR THE YEAR</u>			(115,130)		(1,116,573)
Unappropriated Profits as previously reported		2,379,405		3,505,978	
Goodwill arising on aquisition of business during the year written off		(32,824)		(10,000)	
			2,346,581		3,495,978
<u>RETAINED PROFITS CARRIED FORWARD</u>	14	£ 2,231,451		£ 2,379,405	

The notes on pages 7 to 22 form an integral part of these Financial Statements.

A. & J. BULL (HOLDINGS) LIMITED  
AND SUBSIDIARY COMPANIES

5.

CONSOLIDATED BALANCE SHEET AS AT 31ST JULY 1992

				<u>1991</u>	
<u>FIXED ASSETS</u>	<u>Notes</u>	£	£	£	£
Tangible Assets	15	22,541,352		22,326,709	
Investments	16	<u>287,083</u>		<u>247,020</u>	
			22,828,435		22,573,729
<u>CURRENT ASSETS</u>					
Stocks	17	353,849		702,947	
Debtors	18	6,031,612		5,875,934	
Cash at Bank and in Hand		<u>6,028</u>		<u>94,315</u>	
		6,391,489		6,673,196	
<u>CREDITORS: Amounts falling due within one year</u>	19	<u>(6,231,783)</u>		<u>(5,593,418)</u>	
<u>NET CURRENT ASSETS</u>			159,706		1,079,778
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			22,988,141		23,653,507
<u>CREDITORS: Amounts falling due after more than one year</u>	20	(14,401,605)		(15,092,397)	
<u>PROVISION FOR LIABILITIES AND CHARGES</u>					
Deferred Taxation	21	<u>(1,030,150)</u>		<u>(986,400)</u>	
			(15,431,755)		(16,078,797)
			£ 7,556,386		£ 7,574,710
<u>Financed by:</u>					
<u>CAPITAL AND RESERVES</u>					
Called up Share Capital	22		363,500		363,500
Capital Redemption Reserve	22		351,500		351,500
Revaluation Reserve	23		4,262,819		4,262,819
Capital Reserve	24		347,116		347,116
Profit and Loss Account			<u>2,231,451</u>		<u>2,379,405</u>
			7,556,386		7,704,340
Minority Interests	25		-		(129,630)
			£ 7,556,386		£ 7,574,710

The notes on pages 7 to 22 form an integral part of these Financial Statements.

*[Signature]* } DIRECTORS  
*[Signature]* }

Approved on:

20th November 1992.

A. & J. BULL (HOLDINGS) LIMITED  
BALANCE SHEET AS AT 31ST JULY 1992

	<u>Notes</u>	£	£	£ <sup>1991</sup>	£
<u>FIXED ASSETS</u>					
Investments	16		734,197		734,197
<u>CURRENT ASSETS</u>					
Debtors	18	11,376,837		12,086,561	
<u>CREDITORS: Amounts falling due within one year</u>	19	<u>(40,159)</u>		<u>(165,000)</u>	
<u>NET CURRENT ASSETS</u>			<u>11,336,678</u>		<u>11,921,561</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>12,070,875</u>		<u>12,655,758</u>
<u>CREDITORS: Amounts falling due after more than one year</u>	20		<u>(10,000,000)</u>		<u>(10,000,000)</u>
			<u>£ 2,070,875</u>		<u>£ 2,655,758</u>
<u>Financed by:</u>					
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	22		363,500		363,500
Capital Redemption Reserve	22		351,500		351,500
Profit and Loss Account			<u>1,355,875</u>		<u>1,940,758</u>
			<u>£ 2,070,875</u>		<u>£ 2,655,758</u>

The notes on pages 7 to 22 form an integral part of these Financial Statements.


  
 D. A. Khan
 
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 )
 
 DIRECTORS

Approved on: 20th November 1992



A. & J. BULL (HOLDINGS) LIMITED  
AND SUBSIDIARY COMPANIES  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JULY 1992

7.

	Notes	£	£	7 months to 31.7.91 £	£
<u>Net cash inflow from operating activities</u>	30		2,328,599		2,043,081
<u>Returns on investments and servicing of finance</u>					
Investment income received		12,290		7,437	
Interest received		12,123		-	
Interest paid		(1,289,922)		(728,677)	
Dividends paid		-		(994,000)	
			(1,265,509)		(1,715,240)
<u>Net cash outflow from returns on investments and servicing of finance</u>					
<u>Taxation</u>					
UK corporation tax paid		(355,503)		(41,523)	
<u>Tax paid</u>			(355,503)		(41,523)
<u>Investing activities</u>					
Purchase of tangible fixed assets		(1,127,505)		(2,747,549)	
Purchase of subsidiary and other business undertakings (net cash equivalents acquired)	34	(681,999)		(10,000)	
Sale of plant and machinery		213,212		970,781	
<u>Net cash outflow from investing activities</u>			(1,596,292)		(1,786,768)
<u>Net cash outflow before financing</u>			(888,705)		(1,500,450)
<u>Financing</u>					
New secured bank loan received		-		1,867,417	
Repayment of amounts borrowed		(50,000)		-	
Capital element of finance lease rental payments		(8,933)		(3,746)	
<u>Net cash (outflow)/inflow from financing</u>			(58,933)		1,863,671
<u>(Decrease)/Increase in cash and cash equivalents</u>	31	£	(947,638)	£	363,221

A. & J. BULL (HOLDINGS) LIMITED  
AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992

1. ACCOUNTING POLICIES

(a) Basis of Financial Statements

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain Freehold and Leasehold Properties, and in accordance with applicable accounting standards.

(b) Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of the Company, its Subsidiary Companies and the appropriate proportion of its Associated Companies and Joint Ventures. The Financial Statements of all subsidiary companies in the Group are made up to 31st July.

The company has taken advantage of Section 228 of Companies Act 1985 and accordingly a separate profit and loss account dealing with the results of the Parent company has not been presented.

Where losses have occurred in subsidiary companies, and are not considered recoverable from the minority shareholders, full provision against the losses is made in the Financial Statements.

(c) Depreciation and amortisation

Depreciation is calculated to write off the cost or valuations less residual value, of the assets over their estimated useful lives at the following annual rates:

Freehold Land	None
Freehold Buildings	2-4% Straight Line
Leasehold Properties	Over the unexpired period of the Lease
Temporary Office Buildings	12.5% Reducing Balance
Motor Vehicles	25% Reducing Balance
Plant and Equipment	5% to 33% Reducing Balance
Fixtures and Fittings	10% to 25% Reducing Balance

Mineral bearing sites and landfill airspace are amortised on the basis of minerals extracted and the estimated annual usage of airspace respectively.

(d) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value. Work in Progress includes the relevant proportion of attributable profit less payments on account received and receivable.

(e) Sites Under Construction

The costs of developing new sites are capitalised together with interest on related borrowings up to the point that the location becomes operational.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

1. ACCOUNTING POLICIES (Continued)

(f) Deferred Taxation

Deferred taxation, computed under the liability method, is provided in respect of timing differences to the extent that it is probable that a liability will arise in the foreseeable future.

No provision has been made for taxation deferred:

(i) in respect of the revaluation of certain Fixed Assets, where the Directors do not intend to dispose of these assets in the foreseeable future.

(ii) in respect of chargeable capital gains rolled over for tax purposes.

(g) Accounting for acquisitions

The results of companies and businesses acquired during the year are dealt with in the consolidated accounts from the date of acquisition. On acquisition, the purchase consideration is allocated over assessed fair values of net tangible assets and goodwill. The amounts attributed to goodwill are written off against reserves.

(h) Leased Assets

Motor vehicles financed by leasing agreements that give rights approximating to ownership (i.e. finance leases) are treated as if they had been purchased outright and the corresponding obligation treated as a liability. The charge to the profit and loss account is represented by depreciation calculated in accordance with the group's accounting policy and appropriate interest.

(i) Deferred Pit Expenditure

Expenditure incurred on pit preparation, in a subsidiary company, not matched with revenue is carried forward and will be charged in subsequent periods.

(j) Pensions

The group operates a defined contribution scheme and a defined benefits scheme.

The costs for the defined benefit scheme are recognised on a systematic basis so that the costs of providing retirement benefits to employees are matched evenly, as far as possible, to the service lives of the employees concerned.

2. TURNOVER

Turnover represents invoiced sales, net of value added tax, after eliminating intra-group transactions, and excludes the relevant proportion of turnover relating to joint ventures.

A. & J. BULL (HOLDINGS) LIMITED  
AND SUBSIDIARY COMPANIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

3. <u>OPERATING PROFIT</u> is after charging:	£	7 Months to 31.7.91 £
Directors' Remuneration (Note 4)	379,961	200,581
Auditors' Remuneration	68,650	59,250
Depreciation	1,393,433	828,683
Hire of Plant	186,810	216,442
and after crediting:	£	£
Rent Receivable	26,241	17,343
Profit on Sale of Fixed Assets	38,416	-

4. <u>DIRECTORS' REMUNERATION</u>	£	£
(a) Executive Remuneration and Benefits	363,749	193,960
Pension Contributions	16,212	6,621
	£ 379,961	£ 200,581
(b) Emoluments of Chairman and Highest paid Director	£ 120,000	£ 70,000
Scale of Emoluments of Other Directors (excluding Pension Contributions)	Number	Number
£ NIL - £ 5,000	2	2
£20,001 - £25,000	-	5
£45,001 - £50,000	5	-

The 51% holding of A & J Bull Ltd in Moores Transport Services Ltd was transferred at nil consideration (a realistic market value) during the year to Mr. T.G. Mills.

5. <u>STAFF COSTS</u>		
(a) Wages and Salaries	4,961,471	2,790,404
Employers National Insurance Contributions	460,871	282,636
Other Pension costs	47,656	26,589
	5,469,998	3,099,629
<u>Less: Recharged to Other Companies</u>	<u>(754,558)</u>	<u>(404,895)</u>
	£4,715,440	£2,694,734
(b) The average weekly number of employees during the period was as follows:	Number	Number
Direct Operatives	212	220
Management and Administration	75	80
	287	304

AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992

7 Months  
to 31.7.91  
£

6. INVESTMENT INCOME

Income from Other Fixed Asset Investments	£ 12,290	£ 7,437
---	----------	---------

7. INTEREST PAYABLE

Bank Loans and Overdrafts	£ 389,404	£ 157,619
Hire Purchase Debt	71,440	44,186
Other Loans repayable within one year	2,882	17,320
Loans not wholly repayable within five years	856,367	437,500
Interest on overdue corporation tax	(28,225)	15,000
	£1,291,868	£671,625

Interest of £342,305 was capitalised during the period as detailed in Note 15.  
(1991: £608,947)

8. INTEREST RECEIVABLE

Bank Interest	£ 854	£ -
Other Interest	8,270	3,080
	£ 9,124	£ 3,080

9. TAXATION

Corporation Tax - Current Year (Based on the results of the year at 33% (1991 - 33.43%))	£ (8,700)	£ 46,800
Adjustment in respect of prior years	(186,552)	27,336
Deferred Taxation - Current Year	43,750	42,400
Associated Companies	37,091	22,322
	£(114,411)	£133,858

10. MINORITY INTEREST

The Minority Interest represents the share of the loss after taxation of subsidiary companies attributable to shareholders other than the Company or its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

<u>11. EXTRAORDINARY ITEM</u>	<u>£</u>	<u>1991</u> <u>£</u>
Loss on Disposal of Subsidiary Company and related costs	-	228,609
Write off of loan to former associate company considered irrecoverable following disposal during the year	160,000	-
	<u>£160,000</u>	<u>£228,609</u>

12. LOSS FOR THE YEAR AFTER TAXATION AND EXTRAORDINARY ITEMS

Of the results for the year a loss after taxation and extraordinary items of £584,883 (1991: loss of £481,679) has been dealt with in the Financial Statements of the Holding Company.

<u>13. DIVIDENDS</u>	<u>£</u>	<u>£</u>
Dividend in Specie	-	994,000
	<u>£ -</u>	<u>£994,000</u>

14. RETAINED PROFITS

The net profit retained by the Group  
is attributable as follows:

	<u>£</u>	<u>£</u>
Holding Company	1,355,875	1,940,758
Subsidiary Companies	603,639	206,783
Associated Companies	271,937	231,864
	<u>£2,231,451</u>	<u>£2,379,405</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st JULY 1992  
(Continued)

15. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Mineral Deposits and Airspace Rights</u>	<u>Plant and Vehicles</u>		<u>Fixtures and Fittings</u>	<u>Total</u>
	£	£	<u>Owned</u>	<u>Leased</u>	£	£
a)						
<u>Cost or Valuation</u>						
At 1st August 1991	15,087,094	3,037,861	9,270,685	59,086	321,336	27,776,062
Additions	764,392	4,503	647,519	-	24,153	1,440,567
Interest Capitalised	251,247	91,058	-	-	-	342,305
Disposals	(20,567)	-	(832,868)	(12,578)	-	(866,013)
At 31st July 1992	16,082,166	3,133,422	9,085,336	46,508	345,489	28,692,921
<u>Depreciation</u>						
At 1st August 1991	221,750	272,509	4,756,655	39,030	159,409	5,449,353
Charge for the year	34,283	190,435	1,118,098	6,212	44,405	1,393,433
Released on Disposals	-	-	(680,765)	(10,452)	-	(691,217)
At 31st July 1992	256,033	462,944	5,193,988	34,790	203,814	6,151,569
<u>Net Book Value</u>						
At 31st July 1992	£15,826,133	£2,670,478	£3,891,348	£ 11,718	£141,675	£22,541,352
At 31st July 1991	£14,865,344	£2,765,352	£4,514,030	£ 20,056	£161,927	£22,326,709

b)  
Land and Buildings Comprises:

	£
Freehold	15,728,074
Leases under 50 years	354,092
Cost or Valuation 31st July 1992	£16,082,166

c)  
Mineral Deposits and Airspace Rights Comprises:

	£
Freehold	194,687
Other Rights	2,938,735
	£3,133,422

A. & J. BULL (HOLDINGS) LIMITED  
AND SUBSIDIARY COMPANIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

14.

15. TANGIBLE FIXED ASSETS (Continued)

d) Valuation

Certain Fixed Assets of Subsidiary companies have been valued as follows:-

<u>On acquisition of Subsidiary Company</u>	<u>Freehold Land</u> £	<u>Long Leasehold Property</u> £
1979 - by Walter G. Elms, Chartered Surveyor	-	161,000
1979 - by the Directors	158,388	-

Values calculated on an existing use basis

Since acquisition of Subsidiary Company

1980 - by the Directors, on an existing use basis	90,000	-
1989 - by Stuart Edwards, Chartered Surveyor on an open market value basis (included in the accounts at £7,800,000)	8,100,000	-

The following information relates to the above assets valued since acquisition of the relevant Subsidiary Company:

	<u>£</u>	<u>1991</u> <u>£</u>
Valuation	7,890,000	7,890,000
Subsequent additions	3,621,848	3,476,070
Subsequent disposals	(20,000)	-
Depreciation	(22,031)	(5,000)
Net Book Value	£11,469,817	£11,361,000

The amount of these assets determined according to the historical cost accounting rules is as follows:-

	<u>£</u>	<u>£</u>
Cost	7,274,229	7,146,451
Depreciation	(22,031)	(5,000)
	£7,252,198	£7,143,451

16. INVESTMENTS

a) <u>Shares at Cost</u>	<u>Incorporated in</u>	<u>Percentage Owned</u>	<u>£</u>	<u>£</u>
A. & J. Bull Limited	England	100	£ 734,197	£ 734,197



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992

(Continued)

Investments Continued

b) Group Companies

A. & J. Bull Ltd owns 100% of the £1 ordinary shares of the following subsidiary companies, all of which are incorporated in England.

<u>Name</u>	<u>Principal Activity</u>
A. & J. Bull (Engineering) Ltd	Group Vehicle Services
John Clements (Builders Merchants) Ltd	Builders Merchants
Marco (Aggregates) Ltd	Quarrying and Sale of Sand and Gravel
Marco (Croydon) Ltd	Haulage Contractors
A. & J. Bull (Solent) Ltd	Haulage Contractors
A. & J. Bull (Waste Handling and Recycling) Ltd	Transfer Station Operators
A. & J. Bull (Southern) Ltd	Pollution Control Operation and Plant Hire
Grosvenor Demolition Company Ltd	Dormant
Goodman Price Demolition Ltd	Demolition Contractors
Thomas Brothers (Kingston) Ltd	Dormant
A.W. Murray Ltd	Haulage Contractors
Parishsound Ltd	Mineral Extraction and Land Infill

Goodman Price Civil Engineering Limited which was the wholly owned subsidiary of Goodman Price Demolition Limited, was dissolved during the year.

Sandy Cross Sand Co Limited, (incorporated in England) a wholly owned subsidiary of A & J Bull (Southern) Limited, was acquired during the year.

Portslade Transport Services Limited, (incorporated in England) a company involved in vehicle hire is owned 60%, (of the 100 £1 ordinary shares), by A. & J. Bull Limited.

Easywalk Limited, (incorporated in England), a company involved in vehicle and equipment leasing, is the wholly owned subsidiary of Portslade Transport Services Limited.

c) <u>Participating Interests</u>	<u>Incorporated in</u>	<u>Percentage Owned</u>	<u>£</u>	<u>1991 £</u>
Moore's Building Supplies Limited	England	51*	-	510
G.B. Waste Disposal Limited	England	50	500	500
Penet & Bull Limited	England	50	1,000	1,000
Cranford Realty Limited	England	50	500	500
Lidsey Landfill Limited	England	50	12,392	12,392
Thames Bull Limited	England	50	500	-
			<u>14,892</u>	<u>14,902</u>
Share of Profits less				
Losses to date			271,937	231,864
Unlisted Investment			<u>254</u>	<u>254</u>
			<u>£287,083</u>	<u>£247,020</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

16. INVESTMENTS (Continued)

c) Participating Interests (Continued)

\* Moores (Building Supplies) Limited was disposed of during the year, as detailed in Note 4.

d) Information Relating to Material Participating Interests

<u>Name of Undertaking</u>	<u>Year End</u>	<u>Total Profit /(Loss) for that year</u>	<u>Total Capital and Reserves</u>
		£	£
G.B. Waste Disposal Limited	31.12.91	(6,794)	395,909
Lidsey Landfill Limited	31.12.91	94,118	130,122

e) Acquisition of Sandy Cross Sand Company Limited ("Sandy Cross")

The whole of the share capital of Sandy Cross was acquired by A & J Bull (Southern) Limited on 24th October 1991. The results of Sandy Cross have therefore been consolidated with effect from that date using the acquisition method of accounting. The fair value of the consideration including the costs of acquisition was £594,206 and was represented by cash.

The adjustments made to the Sandy Cross balance sheet to establish the fair value to the group are set out below.

	<u>Fixed Assets</u>	<u>Current Assets</u>	<u>Current Liabilities</u>	<u>Total</u>
<u>Sandy Cross balance sheet at 24th October 1991</u>	£ 6,343	£ 34,117	£ (778)	£ 39,682
Asset revaluations	<u>554,524</u>	<u>-</u>	<u>-</u>	<u>554,524</u>
Fair Value to Group	<u>£560,867</u>	<u>£ 34,117</u>	<u>£ (778)</u>	<u>£594,206</u>

No goodwill on consolidation arises.

Sandy Cross made a retained profit of £2,336 for the period from 1st July 1991 to the date of acquisition, (year to 30th June 1991: loss of £2,086).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992  
(continued)

17. STOCKS AND WORK IN PROGRESS	The Group		The Company	
	1991		1991	
Comprises:	£	£	£	£
Work in Progress	8,000	-	-	-
Building Materials and Extracted Minerals for Resale	186,154	533,246	-	-
Vehicles and Equipment Spares	124,356	123,190	-	-
Fuel and Oil	35,339	46,511	-	-
	<u>£ 353,849</u>	<u>£ 702,947</u>	<u>£ Nil</u>	<u>£ Nil</u>
18. DEBTORS	£	£	£	£
Trade Debtors	2,402,789	2,818,488	-	-
Amounts due from Subsidiary Company	-	-	10,747,039	11,650,602
Amounts due from Joint Ventures and Associated Companies	1,520,823	1,403,341	-	-
Group Relief Receivable	644,591	514,100	479,798	267,700
Advance Corporation Tax	151,664	168,259	150,000	168,259
Other Debtors	80,183	34,692	-	-
Prepayments and Accrued Income	459,534	375,452	-	-
Deferred Pit Expenditure	772,028	561,602	-	-
	<u>£6,031,612</u>	<u>£5,875,934</u>	<u>£11,376,837</u>	<u>£12,086,561</u>
19. CREDITORS: Amounts falling due within one year	£	£	£	£
Instalments due on Bank Loans	720,000	180,000	-	-
Bank Overdrafts	1,756,106	896,755	-	-
Hire Purchase Instalments	360,017	430,126	-	-
Trade Creditors	1,737,551	1,868,559	-	-
Amounts due to Joint Ventures and Associated Companies	75,727	42,393	-	-
Corporation Tax Payable	608,403	898,331	-	-
Other Taxes and Social Security Costs	570,132	726,200	-	-
Other Creditors	1,234	2,385	-	-
Accruals	362,454	383,364	-	15,000
A.C.T. payable	40,159	150,000	40,159	150,000
Obligations under Finance Leases	-	6,306	-	-
	<u>£6,231,783</u>	<u>£5,593,418</u>	<u>£ 40,159</u>	<u>£ 165,000</u>

The Bank Overdrafts and Loans are secured by a composite guarantee together with Mortgage Debentures including Legal Mortgages over the Group's Freehold and Leasehold Properties.

A. & J. BULL (HOLDINGS) LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992

(Continued)

20. CREDITORS: Amounts falling due after more than one year	<u>The Group</u>		<u>The Company</u>	
		<u>1991</u>		<u>1991</u>
	£	£	£	£
Loan Stock	10,000,000	10,000,000	10,000,000	10,000,000
Bank Loans (Secured - See Note 19)	4,315,000	4,905,000	-	-
Hire Purchase Instalments	86,605	184,770	-	-
Obligations Under Finance Leases	-	2,627	-	-
	<u>£14,401,605</u>	<u>£15,092,397</u>	<u>£10,000,000</u>	<u>£10,000,000</u>

The Bank Loans are repayable by monthly or quarterly instalments.

21. DEFERRED TAXATION

	£	<u>1991</u> £
a) Provision is made for:-		
Capital Allowances in excess of Depreciation	414,750	475,000
Tax on interest capitalised	615,400	511,400
	<u>£1,030,150</u>	<u>£986,400</u>
b) The full potential taxation liability is:-		
Capital Allowances in excess of Depreciation	£ 414,750	£ 475,000
Tax relief on interest capitalised	615,400	511,400
Capital Gains Roll-over Relief	759,000	813,000
Revaluation Surplus	<u>1,451,900</u>	<u>1,452,400</u>
	<u>£3,241,050</u>	<u>£3,251,800</u>

22. a) SHARE CAPITAL

	<u>Authorised</u> £	<u>Allotted, Called Up and Fully Paid</u>	
	£	£	£
Ordinary Shares of £1 each	363,500	363,500	363,500
10% Redeemable Cumulative Preference Shares of £1 each	<u>351,500</u>	-	-
	<u>£715,000</u>	<u>£363,500</u>	<u>£363,500</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

22. b) CAPITAL REDEMPTION RESERVE

This arises on the redemption of the 10% Redeemable Cumulative Preference Shares. An amount equivalent to the nominal value of these shares was transferred from retained earnings at the date of redemption.

23. REVALUATION RESERVE

The reserve reflects only the revaluation surpluses arising on assets revalued whilst being utilised by the group.

24. CAPITAL RESERVE

The Capital Reserve represents the excess of the net book value of tangible assets of the A. & J. Bull Group of Companies over the consideration paid by A. & J. Bull (Holdings) Limited at the time of the group re-organisation in April 1978. In view of the diverse nature of the underlying assets concerned, it is not possible to determine readily to what extent these reserves have been realised since the date of the re-organisation, and may therefore be transferred to Profit and Loss Account.

25. MINORITY INTERESTS

The minority interests are the share of capital and reserves of certain subsidiary companies attributable to shareholders other than the Company or its subsidiaries, net of any provisions made.

26. FUTURE CAPITAL EXPENDITURE

As at 31st July 1992 the Directors have authorised, but not contracted for, Capital Expenditure amounting to £Nil (1991 - £Nil). Capital Expenditure authorised and contracted for, but not provided in these Financial Statements amounted to £40,000 (1991 - £600,000).

A. & J. BULL (HOLDINGS) LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

27. CLOSE COMPANY

A. & J. Bull (Holdings) Limited is a "Close Company" as defined by the Income and Corporation Taxes Act 1970.

28. PENSION SCHEMES

The Group operates a defined contribution pension scheme for Directors of the Ultimate Parent Company. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund of £16,212 (1991: £6,621). No contributions were outstanding at the year end.

The Group also operates a pension scheme for senior employees providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the costs of pensions over employees working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations, using the projected unit method. The pension charge for the year was £31,444 (1991: £19,968). No contributions were outstanding at the year-end.

The most recent formal actuarial valuation of the scheme was carried out as at 1st April 1990. This valuation revealed a net deficit of £23,400, giving a funding level of 89%. As a result of this, from 1st April 1992 employers' contributions were increased by 2% to 11% and employees' contributions remained at 4%. For the purposes of the valuation the actuary assumed that the rate of interest would be 9% per annum, and that salaries would increase at 8% per annum.

29. CONTINGENT LIABILITIES

The Group

One Subsidiary Company has a contingent liability to meet extraordinary calls by the Sand and Gravel Association Guarantee Fund should a claim be made on the Fund. No such claims have been notified to the Fund at the Balance Sheet date.

The Company

The Company has given a composite Guarantee and Mortgage Debenture on the Bank Overdrafts and Loans of its Subsidiary Companies. At 31st July 1992 the aggregate Bank Overdrafts and Loans of these Companies amounted to £5,587,629 (1991: £4,221,927).

A. & J. BULL (HOLDINGS) LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

21.

		7 months to
		<u>31.7.91</u>
		£
30.	<u>RECONCILIATION OF OPERATING PROFIT TO NET CASH</u>	
	<u>INFLOW FROM OPERATING ACTIVITIES</u>	
	Operating Profit	1,330,543 890,140
	Share of Associated Companies' Profits	(39,563) (18,711)
	Depreciation Charges	1,393,433 828,683
	Profit on Sale of Tangible Fixed Assets	(38,416) (230,293)
	Decrease in Stocks	349,098 859,958
	Increase in Debtors	(43,109) (541,928)
	Decrease in Creditors (net of loan written off see note 12)	(623,387) 255,232
		<u>£2,328,509 £2,043,081</u>

31.	<u>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR</u>	
		£
	Balance at 1st August 1991	(802,440) 1,165,661
	Net cash (outflow)/inflow	(947,638) 363,221
		<u>£(1,750,078) £ (802,440)</u>
	Balance at 31st July 1992	

32.	<u>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</u>	
	<u>AS SHOWN IN THE BALANCE SHEET</u>	
		Change
		in year
		£
		1992
		£
		1991
		£
	Cash at bank and in hand	6,028 24,315 (88,287)
	Bank overdrafts	(1,756,106) (896,755) (859,351)
		<u>(1,750,078) (802,440) (947,638)</u>

33.	<u>PURCHASE OF SUBSIDIARY AND OTHER</u>	
	<u>BUSINESS UNDERTAKINGS</u>	
		7 months to
		<u>31.7.91</u>
		£
	Net assets acquired	£
	Tangible Fixed Assets	655,867 -
	Debtors	1,673 -
	Cash at bank and in hand	32,444 -
	Creditors	(8,365) -
		<u>681,619 -</u>
	Goodwill	32,824 10,000
		<u>714,443 10,000</u>
	Satisfied by	
	Cash	<u>£714,443 £ 10,000</u>

A. & J. BULL (HOLDINGS) LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST JULY 1992  
(Continued)

22.

		7 months to
		<u>31.7.91</u>
	£	£
34. <u>ANALYSIS OF THE NET OUTFLOW AND CASH EQUIVALENTS IN</u> <u>IN RESPECT OF SUBSIDIARY AND OTHER BUSINESS UNDERTAKINGS</u>		
a) <u>Subsidiary acquired</u>		
Cash consideration	594,206	-
Cash at bank and in hand acquired	<u>(32,444)</u>	<u>-</u>
	<u>561,762</u>	<u>-</u>
b) <u>Business acquired</u>		
Cash consideration	120,237	10,000
Cash at bank and in hand acquired	<u>-</u>	<u>-</u>
	<u>120,237</u>	<u>10,000</u>
 Total Net Outflow of cash and cash equivalents in respect of the purchase of subsidiary and business undertakings	 £681,999	 £ 10,000
	<u><u>          </u></u>	<u><u>          </u></u>