

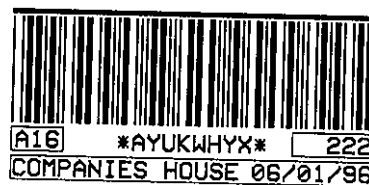
Registered No. 01510892

McNICHOLAS CONSTRUCTION SERVICES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1995

ORR SHOTLIFF
Stuart House
55 Catherine Place
London SW1E 6DY



McNICHOLAS CONSTRUCTION SERVICES LIMITED

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McNICHOLAS CONSTRUCTION SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS: P T McNicholas
K M McNicholas
B S McNicholas
M J Byrne

SECRETARY: M J Doyle

REGISTERED NUMBER: 01510892

REGISTERED OFFICE: Lismirrane Industrial Park
Elstree Road
Elstree
Herts
WD6 3EA

BANKERS: Barclays Bank plc
Barclays Business Centre
P O Box 314
6 Bedford Square
London
WC1B 3TB

AUDITORS: Orr Shotliff
Chartered Accountants
Stuart House
55 Catherine Place
London
SW1E 6DY

SOLICITORS: Howard Schneider & Co
76 Shenley Road
Borehamwood
Herts
WD6 1EH

Ottaways
The Mansion
1 St Peters Street
St Albans
Herts
AL1 3DT

Wilmer Cutler & Pickering
4 Carlton Gardens
London
SW1Y 5AA

McNICHOLAS CONSTRUCTION SERVICES LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and Accounts of the Company for the financial year ended 31 March 1995.

STATEMENT OF 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 or 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year under review was that of Public Works Contractors.

Whilst the results do not reflect the efforts of company personnel, the Directors consider the results satisfactory but disappointing. However, they are confident of a return to profitability in the following year.

RESULTS AND DIVIDENDS

The results for the year and financial position of the Company are as shown in the annexed financial statements.

No dividends will be distributed for the year ended 31 March 1995. The loss for the year transferred to reserves is £48,489.

FIXED ASSETS

Changes to Fixed Assets of the Company appear in Note 7 to the accounts.

DIRECTORS

The directors of the Company in office during the year were as follows:

P T McNicholas
K M McNicholas
B S McNicholas
M J Byrne

The directors did not hold any beneficial interest in the issued share capital of the company at 31 March 1995. Shares held in the Holding Company are shown in the Directors Report thereto.

McNICHOLAS CONSTRUCTION SERVICES LIMITED

REPORT OF THE DIRECTORS

AUDITORS

The auditors, Orr Shotliff, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



M J DOYLE
Secretary

27 November 1995

McNICHOLAS CONSTRUCTION SERVICES LIMITED

**REPORT OF THE AUDITORS TO THE DIRECTORS OF
McNICHOLAS CONSTRUCTION SERVICES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 6 to 12 together with the financial statements of McNICHOLAS CONSTRUCTION SERVICES LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1995.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 31 March 1995, and the abbreviated accounts on pages 6 to 12 have been properly prepared in accordance with that Schedule.

On 27 November 1995 we reported, as auditors of McNICHOLAS CONSTRUCTION SERVICES LIMITED, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1995 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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 company's circumstances, consistently applied and adequately disclosed.

McNICHOLAS CONSTRUCTION SERVICES LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF
McNICHOLAS CONSTRUCTION SERVICES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Orr Shotliff
Chartered Accountants
Registered Auditor

Stuart House
55 Catherine Place
London
SW1E 6DY

28 November 1995

McNICHOLAS CONSTRUCTION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 1995

	Notes	1995	1994
GROSS PROFIT		1,258,606	918,211
Distribution Costs	104,928	90,357	
Administrative Expenses	1,192,963	675,081	
		<u>1,297,891</u>	<u>765,438</u>
OPERATING (LOSS)/PROFIT	3	(39,285)	152,773
Interest Payable and Similar Charges	5	<u>8,721</u>	<u>11,746</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(48,006)	141,027
Taxation on Ordinary Activities	6	<u>483</u>	<u>45,208</u>
(LOSS)/PROFIT FOR THE YEAR AFTER TAXATION		(48,489)	95,819
Retained Profit brought forward		<u>196,026</u>	<u>100,207</u>
RETAINED PROFIT CARRIED FORWARD		<u>£147,537</u>	<u>£196,026</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the current year or the profit for the previous year.

The notes form part of these financial statements

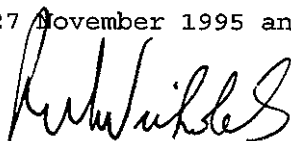
McNICHOLAS CONSTRUCTION SERVICES LIMITED

BALANCE SHEET
As at 31 March 1995

	Notes	1995	1994
FIXED ASSETS:			
Tangible Assets	7	278,392	259,507
CURRENT ASSETS:			
Stocks and Work in Progress	8	1,271,432	943,989
Debtors	9	2,155,747	1,769,810
Cash at Bank and in Hand		334,898	373,657
		<u>3,762,077</u>	<u>3,087,456</u>
CREDITORS: Amounts falling due within one year	10	<u>3,860,209</u>	<u>3,085,843</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(98,132)</u>	<u>1,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>180,260</u>	<u>261,120</u>
CREDITORS: Amounts falling due after more than one year			
Hire Purchase		31,723	64,094
NET ASSETS		<u><u>£148,537</u></u>	<u><u>£197,026</u></u>
CAPITAL AND RESERVES:			
Called Up Share Capital	11	1,000	1,000
Profit and Loss Account		147,537	196,026
SHAREHOLDERS FUNDS	12	<u><u>£148,537</u></u>	<u><u>£197,026</u></u>

Approved by the Board on 27 November 1995 and signed on its behalf.

P T McNICHOLAS DIRECTOR



The notes form part of these financial statements

McNICHOLAS CONSTRUCTION SERVICES LIMITED

ACCOUNTING POLICIES for the Year Ended 31 March 1995

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and Machinery	- 20% per annum on cost
Motor Vehicles	- 25% and 20% per annum on cost

Stocks

Stocks and Work in Progress are valued at the lower of cost and net realisable value. Long term contracts are valued at cost plus attributable profit (based on the work completed) on sufficiently advanced contracts less foreseeable losses and payments on account not matched with turnover. Cost includes an appropriate proportion of overheads. Any excess of turnover over payments on account is included in debtors.

Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter life of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating Leases

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Profit and Loss Account as incurred.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The Holding Company operates two defined benefit pension schemes. Contributions are charged to the Profit and Loss Account so as to spread costs of pensions over the employees working lives with the company.

McNICHOLAS CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 1995

1. TURNOVER

Turnover represents sales to third parties net of discounts and excludes value added tax.

2. STAFF COSTS

Staff costs, including directors remuneration were as follows:

	1995	1994
Wages and Salaries	1,984,170	2,788,617
Social Security Costs	188,997	297,431
Other Pension Costs	40,282	20,971
	<u>2,213,449</u>	<u>3,107,019</u>

The average weekly number of persons employed by the company during the year was 100 (1994: 157).

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	1995	1994
Directors' Emoluments (See Note 4)	42,903	62,606
Hire of Plant and Machinery	3,075,770	3,032,931
Depreciation	96,969	66,802
Auditors' Remuneration	4,000	3,600
Other Fees to Auditors	6,000	4,450
	<u>3,225,642</u>	<u>3,230,394</u>

4. DIRECTORS EMOLUMENTS

The emoluments of the highest paid director (excluding pension contributions) were £37,487 (1994: £57,496). No other director received any emoluments during the year (1994: Nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1995	1994
Bank Loans, Overdrafts and Other Loans repayable within five years	171	3,914
Finance Charges – Hire Purchase Contracts and Finance Leases	8,550	7,832
	<u>8,721</u>	<u>11,746</u>

McNICHOLAS CONSTRUCTION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995**

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1995	1994
Corporation Tax at 33% (1994: 33%)	3,000	45,208
Over provision in Prior Years	(2,517)	—
	<u>483</u>	<u>45,208</u>

7. TANGIBLE FIXED ASSETS

	Furniture and Equipment	Motor Vehicles	Totals
COST:			
As at 1 April 1994	134,475	255,159	389,634
Additions	16,491	109,163	125,654
Disposals	—	(27,701)	(27,701)
	<u>150,966</u>	<u>336,621</u>	<u>487,587</u>
DEPRECIATION:			
As at 1 April 1994	48,340	81,787	130,127
Charge for Year	24,483	72,486	96,969
Eliminated on Disposals	—	(17,901)	(17,901)
	<u>72,823</u>	<u>136,372</u>	<u>209,195</u>
NET BOOK VALUES:			
At 31 March 1995	<u>£78,143</u>	<u>£200,249</u>	<u>£278,392</u>
At 31 March 1994	<u>£86,135</u>	<u>£173,372</u>	<u>£259,507</u>

The net book value of tangible fixed assets included above held under finance leases or hire purchase contracts amounted to £208,444 (1994: £99,647). Total depreciation allocated to these assets during the year was £69,221 (1994: £50,567).

8. STOCKS AND WORK IN PROGRESS

	1995	1994
Raw Materials and Consumables	—	2,450
Work in Progress	1,271,432	941,539
	<u>1,271,432</u>	<u>943,989</u>

McNICHOLAS CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995

9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1995	1994
Trade Debtors	1,264,134	1,019,243
Other Debtors	23,167	45,465
Prepayments	16,399	30,335
Group Companies	852,047	674,767
	<u>2,155,747</u>	<u>1,769,810</u>

10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1995	1994
Trade Creditors	498,992	459,354
Group Companies	2,446,703	2,124,911
Other Creditors	16,582	46,827
Hire Purchase	74,425	85,193
Other Taxes and PAYE	540,706	243,658
Taxation	3,000	45,208
Accrued Expenses	279,801	80,692
	<u>3,860,209</u>	<u>3,085,843</u>

11. CALLED UP SHARE CAPITAL

	1995	1994
Authorised, called up and fully paid: 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1995	1994
(Loss)/Profit for the year	<u>(48,489)</u>	<u>95,819</u>
Retained (Loss)/Profit for the year	(48,489)	95,819
Shareholders Funds at 1 April 1994	<u>197,026</u>	<u>101,207</u>
Shareholders Funds at 31 March 1995	<u>148,537</u>	<u>197,026</u>

13. HOLDING COMPANY

The Holding Company is McNicholas Construction (Holdings) Limited, incorporated in England.

14. CONTINGENT LIABILITIES

Unlimited Cross Guarantees on liabilities of Group companies.

McNICHOLAS CONSTRUCTION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 1995

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 1995 (1994: Nil).

16. PENSION SCHEME

The Company is a member of the defined benefit group pension scheme operated by McNicholas Construction (Holdings) Limited. The pension cost was assessed by a professionally qualified actuary. The most recent formal actuarial valuation was at 6 April 1992. The total pension cost for the company was £40,282 (1994: £20,971).