

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Directors' Report and Financial Statements

Year ended

31st December 1994



WOOLF CONSTRUCTION MANAGEMENT LIMITED

Report of the directors for the year ended 31st December 1994

The directors present their report together with the audited financial statements for the year ended 31st December 1994.

Directors responsibilities

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and 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 accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 activity and trading review

During the period the company was engaged in the management of construction projects.

On the 19th October 1995, Symonds Group Limited acquired 75% of the share capital of Woolf Limited, the immediate parent of this company, from CBC Invest BV. On 1st November 1995 Woolf Limited changed its name to Symonds Woolf Limited. In connection with this transfer, CBC agreed to assume the liabilities on certain completed contracts of this company with effect from 31st December 1994. These liabilities have been eliminated from the balance sheet, giving rise to an exceptional profit of £1,133,882.

Results and dividends

The profit and loss account is set out on page 4 and shows a profit for the period of £1,519,697. This includes the exceptional profit of £1,133,882 described above.

The directors do not recommend the payment of a dividend.

WOOLF CONSTRUCTION MANAGEMENT LIMITED
Report of the directors for the year ended 31st December 1994

Directors

The directors of the company during the period were:

C Chevasco (resigned 21st February 1995)

J P Belliard (resigned 1st May 1994)

P F W M Brumby

A C Minchin

No director had any interest in the share capital of the company during the period.

On 6th October 1995, R A B Davis, A H Cox and T J Piper were appointed as directors.

Immediately after their appointment, P F W M Brumby and A C Minchin resigned as directors.

Auditors

Moores Rowland have expressed their willingness to continue in office.

By order of the Board



R G Castle
Secretary
25th January 1996

WOOLF CONSTRUCTION MANAGEMENT LIMITED
Profit and loss account for the year ended 31st December 1994

	<u>Note</u>	Year ended <u>31.12.1994</u> £	Year ended <u>31.12.1993</u> £
Turnover	2	2,700,204	1,869,939
Cost of sales		(1,669,480)	(1,322,367)
Cost of sales - exceptional write back	4	1,133,882	-
Gross profit		2,164,606	547,572
Administrative costs		(591,121)	(433,290)
Profit on ordinary activities before taxation	4	1,573,485	114,282
Taxation on result on ordinary activities	6	(53,788)	-
Profit on ordinary activities after taxation		1,519,697	114,282
Balance brought forward		(1,507,070)	(1,621,352)
Balance carried forward		12,627	(1,507,070)

There are no recognised gains or losses other than the profit for the year.

All disclosures relate only to continuing operations.

The notes on pages 6 to 9 form part of these accounts

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Balance sheet at 31st December 1994

	<u>Note</u>	<u>31 December 1994</u>	<u>31 December 1993</u>
		£	£
Current assets			
Debtors	7	141,169	1,295,774
Cash at bank and in hand		-	303
		<u>141,169</u>	<u>1,296,077</u>
Creditors			
Amounts falling due within one year	8	(128,442)	(2,803,047)
Total assets less current liabilities		<u>12,727</u>	<u>(1,506,970)</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		12,627	(1,507,070)
		<u>12,727</u>	<u>(1,506,970)</u>

The accounts were approved by the Board on 25th January 1996 and signed on its behalf by:



R A B Davis, Managing Director

The notes on pages 6 to 9 form part of these accounts.

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Notes forming part of the accounts for the year ended 31st December 1994

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's and company's financial statements.

Basis of Preparation

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

The financial statements have also been prepared on a going concern basis which assumes that the company will continue to trade, as a parent company, Symonds Group Limited, has indicated that it intends to provide such funds as are necessary for the company to continue to trade for the foreseeable future.

Turnover

Turnover represents the certified value of construction work managed by the company during the period, exclusive of value added tax, under management contracting and construction management contracts.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes where it can be reasonably foreseen that such deferred taxation will be payable in the future.

Foreign currency

Assets and liabilities expressed in foreign currency are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising are dealt with in the profit and loss account.

2. Turnover and Results

The turnover and results of the company are derived from its principal activity.

The turnover of the company was split as follows:

	<u>1994</u>	<u>1993</u>
	£	£
United Kingdom	2,695,276	1,634,967
Europe	4,928	234,972
	<hr/>	<hr/>
	2,700,204	1,869,939
	<hr/>	<hr/>

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Notes forming part of the accounts for the year ended 31st December 1994

3. Employees

	<u>1994</u>	<u>1993</u>
	£	£
Staff costs consist of:		
Wages and salaries	337,913	357,754
Social security costs	34,795	37,015
Other pension costs	14,186	14,644
	<u>386,894</u>	<u>409,413</u>

The average weekly number of employees during the year was as follows:

Number	Number
13	14
<u>13</u>	<u>14</u>

Staff costs are paid by the immediate holding company, Symonds Woolf Limited (formerly Woolf Limited), in the first instance and then recharged to the company.

4. Profit on ordinary activities before taxation

	<u>1994</u>	<u>1993</u>
	£	£
This is arrived at after charging or (crediting):		
Auditors' remuneration	-	-
Cost of sales - exceptional credit	(1,133,882)	-
	<u>(1,133,882)</u>	<u>-</u>

The exceptional credit to cost of sales is the net effect of the elimination of assets, liabilities and provisions, relating to certain completed contracts, for which CBC has agreed to assume responsibility, in connection with the sale of shares in Symonds Woolf Limited (formerly Woolf Limited), the immediate parent of this company

5. Directors' emoluments

The emoluments of all the directors are paid by the holding company.

The amount of directors emoluments recharged to the company was:

	<u>1994</u>	<u>1993</u>
	£	£
For services as executives	84,000	84,000
Pension scheme contributions	4,000	4,000
	<u>88,000</u>	<u>88,000</u>

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Notes forming part of the accounts for the year ended 31st December 1994

5. Directors emoluments (continued)

	<u>1994</u>	<u>1993</u>
	£	£
Emoluments (excluding pension contributions) of:		
Chairman	-	-
Highest paid director	47,250	47,250
	<u> </u>	<u> </u>

The numbers of directors whose emoluments (excluding pension contributions) fell in the following ranges were:

	Number	Number
£NIL - £ 5,000	2	2
£35,001 - £40,000	1	1
£45,001 - £50,000	1	1
	<u> </u>	<u> </u>
	4	4
	<u> </u>	<u> </u>

6. Taxation on result on ordinary activities

	<u>1994</u>	<u>1993</u>
	£	£
Corporation Tax at 33% on profit for period less losses brought forward and group relief	53,788	-
	<u> </u>	<u> </u>

7. Debtors

	<u>1994</u>	<u>1993</u>
	£	£
Trade debtors	59,388	526,635
Amounts owed by group companies	81,781	769,139
	<u> </u>	<u> </u>
	141,169	1,295,774
	<u> </u>	<u> </u>

8. Creditors falling due within one year

	<u>1994</u>	<u>1993</u>
	£	£
Trade creditors	32,298	1,434,927
Accruals and provisions	41,226	1,178,463
Payments in advance	-	1,475
Other creditors	1,130	188,182
Corporation tax	53,788	-
	<u> </u>	<u> </u>
	128,442	2,803,047
	<u> </u>	<u> </u>

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Notes forming part of the accounts for the year ended 31st December 1994

9.	Share capital	<u>1994</u>	<u>1993</u>
		£	£
	Authorised, issued and fully paid		
	Ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>

10.	Reconciliation of shareholders funds	<u>1994</u>	<u>1993</u>
		£	£
	Profit for the financial year	1,519,697	114,282
	Opening shareholders funds	(1,506,970)	(1,621,252)
		<u> </u>	<u> </u>
	Closing shareholders funds	12,727	(1,506,970)
		<u> </u>	<u> </u>

11. Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Compagnie Générale des Eaux which is the ultimate parent company incorporated in France.

The largest group in which the results of the company are consolidated is that headed by Compagnie Générale des Eaux, incorporated in France. The smallest group in which they are consolidated is that headed by Symonds Woolf Limited (formerly Woolf Limited), a company incorporated in England and Wales. The consolidated accounts of these groups are available to the public, and may be obtained from Compagnie Générale des Eaux, 52 Rue d'Anjou, 75008 Paris and the Registrar of Companies respectively.

WOOLF CONSTRUCTION MANAGEMENT LIMITED

Report of the auditors Moores Rowland

To the members of Woolf Construction Management Limited

We have audited the financial statements on pages 4 to 9

Respective responsibilities of directors and auditors

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

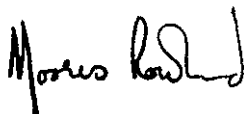
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moores Rowland
Chartered Accountants
Registered Auditor
LONDON

30th January 1996